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EA-87-02



ENVIRONMENTAL ASSESSMENT BOARD

VOLUME:

299

DATE: Wednesday, March 27, 1991

BEFORE:

A. KOVEN Chairman

E. MARTEL Member

FOR HEARING UPDATES CALL (COLLECT CALLS ACCEPTED) (416) 963-1249

**EARR &
ASSOCIATES
REPORTING INC.**

(416) 482-3277

2300 Yonge St., Suite 709, Toronto, Canada M4P 1E4

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HEARING ON THE PROPOSAL BY THE MINISTRY OF NATURAL
RESOURCES FOR A CLASS ENVIRONMENTAL ASSESSMENT FOR
TIMBER MANAGEMENT ON CROWN LANDS IN ONTARIO

IN THE MATTER of the Environmental
Assessment Act, R.S.O. 1980, c.140;

- and -

IN THE MATTER of the Class Environmental
Assessment for Timber Management on Crown
Lands in Ontario;

- and -

IN THE MATTER of a Notice by the Honourable
Jim Bradley, Minister of the Environment,
requiring the Environmental Assessment
Board to hold a hearing with respect to a
Class Environmental Assessment (No.
NR-AA-30) of an undertaking by the Ministry
of Natural Resources for the activity of
Timber Management on Crown Lands in
Ontario.

Hearing held at the offices of the Ontario
Highway Transport Board, Britannica Building,
151 Bloor Street West, 10th Floor, Toronto,
Ontario, on Wednesday, March 27th, 1991,
commencing at 9:00 a.m.

VOLUME 299

BEFORE:

MRS. ANNE KOVEN
MR. ELIE MARTEL

Chairman
Member



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I N D E X O F P R O C E E D I N G S

<u>Witness:</u>	<u>Page No.</u>
<u>ZANE SMITH, Resumed</u>	53129
Continued Cross-Examination by Mr. Hanna	53129

I N D E X O F E X H I B I T S

<u>Exhibit No.</u>	<u>Description</u>	<u>Page No.</u>
1767	Hand-drawn chart prepared by Mr. Smith re residual stumage process.	53135
1768	OFAH interrogatory questions and responses thereto re FFT Panel No. 10.	53155
1769	Hand-drawn schematic of Timber Revenues.	53230

1 ---Upon commencing at 9:00 a.m.

2 MADAM CHAIR: Good morning. Please be
3 seated.

4 Good morning, Mr. Smith.

5 THE WITNESS: Good morning.

6 MADAM CHAIR: Mr. Hanna?

7 MR. HANNA: Thank you, Madam Chair.

8 ZANE SMITH; Resumed

9 CONTINUED CROSS-EXAMINATION BY MR. HANNA:

10 Q. Good morning, Mr. Smith.

11 A. Good morning.

12 Q. Mr. Smith, we left off yesterday and
13 we had a discussion about the bottom up planning
14 component in the U.S. Forest Service planning system
15 and we talked about the fact that the potential supply
16 is looked at from the bottom up and aggregated up to
17 the national level; correct?

18 A. Yes.

19 Q. Now, I would like to talk about the
20 matter of demand as the other side of the equation and
21 review that briefly with you.

22 Now, is it correct to say that the U.S.
23 Forest Service is actively involved in forecasting the
24 demand for forest resource benefits of many types?

25 A. Yes.

1 Q. In terms of timber, the Forest
2 Service conducts extensive economic and market analysis
3 of future demand for wood at the international,
4 national and regional level; is that correct?

5 A. I think that's accurate to say.

6 Q. Now, what I wanted to get your view
7 on is how is that demand analysis used in the
8 formulations of the plans at each of the various
9 levels, that component of the analysis?

10 A. All right. The demand is expressed
11 as a national demand and published in the Resources
12 Planning Act program for the Forest Service.

13 The demand is actually measured and
14 developed as a part of the RPA, Resources Planning Act
15 assessment, and then the program for the Forest Service
16 outlines how the Forest Service through the national
17 forest system will respond to that total demand, kind
18 of a what is a fair share from the national forest.

19 That RPA program then contains usually
20 ranges of targets that then are disaggregated to the
21 regions and the regions, through their regional guides,
22 assigns these RPA targets or goals - I think goals
23 would be a more apt term - to the various forests
24 within that region, then the forest through the
25 requirements of the regulations and the planning

1 direction must cast up at least one alternative that
2 achieves the RPA goals for the various resources;
3 timber, wildlife, recreation, et cetera. That
4 alternative then is compared with the other
5 alternatives the forests develop and it is among those
6 that could be selected.

7 Q. The forecasts are made also at the
8 regional level in terms of, in particular, wood
9 products but also other values; is that not correct, in
10 addition to what's done at the RPA level?

11 A. There is some forecasting done in
12 concert with the state and other local entities. I
13 have not been personally involved in that, but I do
14 know that each region tries to interpret this national
15 demand factor in terms of more local situations.

16 My impression is that that is not as
17 nearly intensive or thorough but it does give a flavour
18 to the national disaggregation and it becomes somewhat
19 of a basis for forest supervisors to develop other
20 alternatives with different goals.

21 Q. Would you agree that this component
22 of the analysis, the forecasting demand, is an
23 essential element to the overall planning process that
24 is in place?

25 A. Yes, it is, and I think it is further

1 validated and adjusted and shaped by public
2 involvement.

3 Q. Can you just briefly indicate to us
4 the types of analytical tools that are used to support
5 this analysis, the demand analysis?

6 A. I'm really not personally able to do
7 that, I'm not an economist nor have I really looked
8 into economic analysis of that type.

9 Q. What role does the private sector
10 forest industry play in forecasting timber markets and
11 other elements of the forecasting?

12 A. The forest products industry has
13 their own economist of course both in-house and through
14 consulting forestry firms.

15 There are a number of firms and
16 individuals in my region of the country that this is
17 their business and the forest industry uses these folks
18 to, you know, express their interest and their position
19 vis-a-vis the use of natural resources.

20 Q. So -- well, perhaps I will just take
21 a step back. There was two points to that question,
22 first was I think what you responded to and, that is,
23 what opportunity the forest industry has to comment and
24 provide input to the demand forecast.

25 The other component of it is the actual

1 physical dimension of the forest industry itself in
2 terms of its influence in demand forecast; in other
3 words, additional mill capacity, the amount of output
4 that they're expecting to produce from private lands, a
5 whole variety of other factors that may come into play.

6 How is that rolled into the exercise? If
7 you don't have the information, that's fine, but if you
8 do, I would be interested.

9 A. Well, I think those factors are
10 considered as a part of the forest plan. The timber
11 industry in Oregon and Washington, northern California
12 are a very significant portion of the supply side and,
13 of course, they are responding to the demand side. So
14 you have vast acreages of private forest lands that
15 represent resources to satisfy demand.

16 In our case at any one time that supply
17 may or may not be available because of age,
18 distribution and so forth, but they're very definitely
19 an influential factor in helping establish national
20 forest outputs and the relative priority of outputs for
21 the national forest.

22 Q. Is it fair to say there's fairly
23 extensive sharing of information between the Forest
24 Service and the industry in terms of developing these
25 forecasts?

1 A. I think so, other than what might be
2 considered proprietary in the competition among forest
3 industry groups.

4 Q. Yesterday you provided to us an
5 explanation of how the stumpage fee is calculated, and
6 I was wondering if these forecast -- demand forecasts
7 play any role in those stumpage fee calculations?

8 A. There probably is some indirect
9 relationship. I can't think offhand just how it would
10 directly affect that.

11 Q. Well -- I'm sorry?

12 A. The demand obviously affects the
13 selling price of the product, the finished product, the
14 finished product being plywood or lumber or paper. So
15 in working that backwards, obviously demand has
16 influenced that selling price.

17 But the Forest Service sort of takes
18 that. There are some industry indices that, you know,
19 keep track of that that the Forest Service uses and
20 then works it backwards to its stumpage value.

21 Q. Do the forecasts not also affect the
22 valuation of I think what you've termed other values?

23 A. Let me make sure I understand the
24 question.

25 MR. HANNA: Perhaps, Madam Chair, before

1 we go on. The chart I don't think was made an exhibit.
2 Mr. Smith did refer to it in his evidence. It might be
3 easier just for the record to have it as an exhibit so
4 we can refer directly to it.

5 MADAM CHAIR: Did we keep it from
6 yesterday, Mr. Smith?

7 THE WITNESS: That's my scribbling.

8 MADAM CHAIR: Yes.

9 THE WITNESS: Yes.

10 MADAM CHAIR: Do you have any objections,
11 Ms. Swenarchuk?

12 MS. SWENARCHUK: (nodding negatively)

13 MADAM CHAIR: That will be Exhibit 1767.

14 ---EXHIBIT NO. 1767: Hand-drawn chart prepared by Mr.
15 Smith re residual stumage
process.

16 MR. HANNA: Don't worry, Mr. Smith, .
17 there's been worse exhibits.

18 MS. SWENARCHUK: Which chart do you mean
19 now?

20 MR. HANNA: The one he did on the
21 stumpage calculation.

22 MS. SWENARCHUK: I see.

23 MADAM CHAIR: And what shall we call
24 this, Mr. Smith. Shall we call this chart a --

25 THE WITNESS: I refer to it as residual

1 stumpage process. It represents the appraisal process
2 for national forest timber to be sold.

3 MADAM CHAIR: Excuse me, Mr. Smith. Do
4 you have any idea of the overall amount of stumpage
5 collected annually from national forests or through --

6 THE WITNESS: I do have access to that
7 and I guess I would prefer to provide that to you. I
8 know for the Pacific Southwest region, for example,
9 it's about a quarter of a billion dollars.

10 I would say that that represents probably
11 a third, maybe not quite that much, of the total
12 national forest, but I can provide that for you if you
13 would like.

14 MADAM CHAIR: Yes, we would.

15 MR. FREIDIN: I'm just wondering if Mr.
16 Smith could write the exhibit number on there for us.

17 MADAM CHAIR: Yes. That will be Exhibit
18 1767.

19 MR. HANNA: 67?

20 MADAM CHAIR: 1767, yes. Thank you.

21 MR. COSMAN: Madam Chair, sorry, I didn't
22 hear part of that last answer. A quarter of a billion
23 dollars is the stumpage collected for the Pacific
24 Northwest?

25 THE WITNESS: For the Pacific Southwest.

1 MR. COSMAN: Pacific southwest.

2 THE WITNESS: That would be essentially
3 the California National Forest.

4 MR. COSMAN: And that was a third of
5 what, the actual budget for the Pacific Southwest?

6 THE WITNESS: I would say that that
7 quarter billion dollars might be about a third of the
8 total, but...

9 MADAM CHAIR: Stumpage revenues collected
10 from all the --

11 THE WITNESS: All of the national forests
12 system wide. That's a very shakey number. I need to
13 get that for you.

14 MR. MARTEL: That third, is that just of
15 the national forest or stumpage for the whole of the
16 industry?

17 THE WITNESS: No, just the national
18 forest.

19 MR. MARTEL: Is it possible to get the
20 other figure as well?

21 MS. SWENARCHUK: Mr. Martel, Mr. Smith
22 has a compilation U.S. forestry statistics and perhaps
23 if we give him--

24 MR. MARTEL: I'm not saying now.

25 MS. SWENARCHUK: --the evening.

1 MR. MARTEL: No, no, I'm not asking now,
2 I'm just broadening the question.

3 THE WITNESS: I think I probably can get
4 that. I do have the forest statistics of the United
5 States as of 1987, it has almost every question you
6 could possibly ask. So I'll do what I can.

7 MADAM CHAIR: Thank you.

8 THE WITNESS: Let me write that down so I
9 don't...

10 MS. SWENARCHUK: So you're asking for
11 what we would call stumpage or --

12 MADAM CHAIR: The stumpage revenues.

13 MS. SWENARCHUK: Revenues from the U.S.
14 national forest and then as well, Mr. Martel, you're
15 asking what now?

16 MADAM CHAIR: The stumpage revenues for
17 the entire forest industry throughout the United States
18 including private lands.

19 MR. HANNA: Mr. Smith, will there be --
20 or, Madam Chair, just to clarify. I'm not sure you get
21 stumpage fees from private lands if it's owned by the
22 company; is that not correct, Mr. Smith?

23 MADAM CHAIR: Oh, that's right.

24 THE WITNESS: The Forest Service does
25 not, but I could probably -- I may be able to give you

1 the value of stumpage on all jurisdictions. That does
2 not go back to the U.S. Treasury, that gets into the
3 private sector economy.

4 I'll do what I can. I may not be able to
5 do that. I believe I can get it for the national
6 forest.

7 MR. MARTEL: You get nothing from the
8 private land then, the state?

9 THE WITNESS: Some states get what they
10 call a severance or a yield tax and it is a tax, it's
11 not a sharing of revenues, where the national forest
12 the revenues are actually assigned back to the U.S.
13 Treasury. There is an arrangement whereby local
14 government shares in those revenues as a kind of in
15 lieu of tax.

16 There are some states and some counties
17 in the United States where the national forest
18 represent over 80 per cent of the land base, therefore,
19 is not taxable by local tax authorities, and so 25 per
20 cent of the gross national forest receipts from all
21 purposes, ski area uses, timber goes back to the
22 counties, the subdivisions of the state for use of
23 roads and schools, and that's been a long-term
24 arrangement sort of in lieu of taxes. But I can give
25 you the totals that come from stumpage.

1 MADAM CHAIR: All right, thank you.

2 Go ahead, Mr. Hanna.

3 MR. HANNA: Q. Now, Mr. Smith, back to
4 Exhibit 1767. We were talking about demand and the
5 forecast for demand and how they might affect the
6 residual value that you have estimated in that exhibit.

7 Now, you've indicated that the selling
8 price, what you've indicated there, hypothetically is a
9 thousand dollars per board feet -- or per thousand
10 board feet, I'm not sure what your unit is, obviously
11 not per board feet.

12 That is based upon -- that may be
13 influenced by a forecast of market trends in terms of
14 demand for the product; correct?

15 A. I think it's accurate to say it
16 reflects trends and demand, but history more; in other
17 words, this is a selling price as calculated today
18 worked backwards through all the cost to arrive at a
19 value on the stump.

20 There's a lag in that, and one of the
21 things Forest Service is now considering is a
22 transaction evidence appraisal system where you
23 actually, much like a real estate transaction evidence,
24 where you look at what's actually happened today and
25 then use that as the value and work backwards.

1 Again, I'm not an economist and I can't
2 get into a lot of detail here, but the concept I think
3 is expressed.

4 Q. It's the concept I really want to
5 deal with.

6 MR. MARTEL: Market value assessment.

7 MR. HANNA: Q. Now, in terms of the
8 other values which you've indicated there in the box
9 with the hundred beside it.

10 A. (indicating)

11 Q. Yes. That includes recreation,
12 ecological values, non-timber, often non-marketed
13 values; right?

14 A. Yes. I need to explain that there is
15 a statute referred to as the Knutsen vadenBerg law and
16 it's commonly referred to as the KV, KV provision that
17 allows the Forest Service to collect certain deposits
18 to assure reforestation, erosion control, fire
19 protection, stand tending, all the things associated
20 from a post-timber sale standpoint.

21 That law as amended downstream somewhere
22 to allow the Forest Service to also collect deposits
23 related to other values associated with that timber
24 harvest area; most commonly it is recreation, wildlife,
25 to some degree grazing, other kinds of uses that are

1 not directly associated with the timber product itself.
2 That is a relatively small proportion of that deposit.

3 And, you know, it's a little bit tenuous
4 in terms of how far the Forest Service can go. It
5 really is tied to the effect of the timber sale; in
6 other words, there may be an opportunity to develop a
7 recreation resource. The intent is not to provide
8 money to develop that recreation resource through
9 timber receipts, but to mitigate and to manage
10 situations that were caused by the timber sale.

11 So it's not a blank cheque to the Forest
12 Service to manage other resources, the Congress still
13 wants to maintain control of the appropriation process.
14 These monies do not go through the Congress, they come
15 directly to the Forest Service, they are deposited in a
16 working capital fund and then are made available for
17 the Forest Service programs in that national forest to
18 primarily restore that timber harvest area to full
19 productivity.

20 MS. SWENARCHUK: Could I just interject
21 here, Mr. Hanna, that when Mr. Smith described that
22 exhibit yesterday the section that you referred to with
23 the hundred dollars was not recreation environmental
24 values, but it was rather regeneration, fire control.
25 I don't know what the ST was, but these were not

1 non-timber values categories, but what we would
2 consider to be regeneration type expenditures.

3 MR. HANNA: Q. Understand, I was under
4 the understanding that the OV stood for other values.

5 A. It does. The bulk of the deposit is
6 in this section though related directly to the effect
7 of the timber sale and restoration of the timber sale
8 area to a productive state.

9 The other values was an amendment to this
10 particular legislation that allowed some collections to
11 deal with impacts, mitigation, opportunities created
12 through that timber sale on other resource values.

13 Q. I'm going to deviate here for just a
14 minute, Mr. Smith, and I'm telling you that so you can
15 remember where we left off because I'm going to come
16 back to where we are.

17 But for the moment, could you just look
18 at the OFAH terms and conditions, Exhibit 1637, page
19 39, Section 6.6 which is the forest renewal trust fund.

20 MADAM CHAIR: Which page is that, Mr.
21 Hanna?

22 MR. HANNA: Page 39, Madam Chair. It's
23 Section 6.6.

24 MADAM CHAIR: Thank you.

25 MR. FREIDIN: Which terms and conditions?

1 MR. HANNA: It's term and conditions 228
2 to 230.

3 MR. FREIDIN: Thank you.

4 MR. HANNA: Q. It's just the three
5 conditions there at the bottom of the page, Mr. Smith.

6 A. Yes.

7 Q. Now, without getting into details of
8 the values that are set and the specific procedures
9 that are described there, does this capture in essence
10 the type of provision that you've described in terms of
11 a trust fund being set up where the money is
12 specifically deposited for dealing with harvest, site
13 management?

14 A. I think it resembles that. I get a
15 little different impression with this trust fund. And
16 by the way, I can support that idea as a forester
17 trained in -- have investments in the forest.

18 The KV fund here, I feel, is a little
19 more short term, dealing with the immediate restoration
20 and near term stand tending; where I see this trust
21 fund in your terms and conditions to be a little longer
22 term affair.

23 Q. And, as I understand, you're saying
24 you support the concept as a forester and in supporting
25 that concept are you suggesting that the long-term

1 aspect is valuable?

2 A. I think it is valuable. I support
3 it - I think there will be those in the U.S. at least
4 that do not support it - primarily to maintain a little
5 more control over priorities of investment and amounts
6 of investment that the political leadership would like.

7 Q. Those are always conflicting forces,
8 as I'm sure you're aware.

9 A. Yes.

10 Q. Now, can we go back. If you can put
11 the terms and conditions away, I would like to come
12 back to where we were.

13 In terms of the valuation of the other
14 values, you said that in that calculation is a
15 relatively small proportion of the total amount;
16 right?

17 A. You're referring back to the
18 collections?

19 Q. Exhibit 1767, yes.

20 A. Yes.

21 Q. Who and how are the actual other
22 values quantified?

23 A. Those -- the value or the amount to
24 be collected, I should say, against work to be done is
25 calculated by the district ranger and his

1 interdisciplinary team who's responsible for designing
2 the timber proposal, we call it the timber sale
3 agreement, that unit.

4 So that that is discussed in the
5 environmental assessment, in the analysis, different
6 levels are looked at, consideration of just how much
7 the timber sale harvest activity itself influenced this
8 or caused it, and then some degree of how much is
9 really available as a matter of residual stumpage.

10 Q. I would like now to turn to a
11 different subject, Mr. Smith, and that is the annual
12 program of work and the actual project approval level
13 of analysis in the planning system you've described.

14 Now, as I understand it, the annual
15 program of work, we discussed this yesterday, is
16 prepared to implement the forest plan on an annual
17 basis; correct?

18 A. Yes.

19 Q. Now, what exactly does the annual
20 program of work consist of?

21 A. The annual program of work, which is
22 prepared at the ranger district level, the smallest
23 unit in our process, consists of the collection of all
24 the activities for the year that the district ranger
25 and his staff will accomplish.

1 That includes planning; that is, advanced
2 planning such as the beginning of a five-year period of
3 planning for timber sales, also includes the planning
4 for other activities that might relate to wildlife
5 habitat, to stream improvement, to recreation
6 development, all that preliminary activity leading up
7 to actually doing something.

8 And then it also includes the actual
9 investments of laying out the timber sale, locating the
10 road or the designing of the ski area, whatever that
11 might be.

12 It also includes the capital investments
13 that might be used to build a road, to build a ranger
14 station, to build a campground.

15 It includes all of the staffing budget
16 for the ranger district. It includes all of the
17 ongoing, you might call it, regulatory work, the
18 administration, special use permits, overseeing the
19 harvest of the timber, measuring the timber products,
20 all the compliance monitoring for the forest plan; in
21 other words, everything that that ranger is going to do
22 and spend money for that year would be included in the
23 program of work.

24 Q. So it sort of - how should I say - in
25 business terms it would be basically the budget and

1 work program that you would be setting out for that
2 area for the coming year?

3 A. Yes. It would include the budget,
4 the staffing, the targets, so that there can be an
5 accountability process back against those dollars.

6 Q. Is there a role for the public in
7 reviewing these documents or is it an administrative
8 internal document primarily?

9 A. It's primarily an administrative
10 document for budgeting and scheduling and organizing,
11 however, the program of work is supported by
12 environmental assessments and analysis that are all
13 available to the public.

14 In other words, the public -- it is
15 thought that the public is more concerned about what
16 happens to the resource rather than how the Forest
17 Service organizes and budgets to accomplish it.

18 Q. Now, what role does the core
19 interdisciplinary team have in developing the annual
20 program of work?

21 A. When you refer to the core
22 interdisciplinary team are you talking about the people
23 that developed this plan?

24 Q. I'm sorry, I've perhaps confused that
25 term before I've come to it, and I will be coming to it

1 later.

2 In your evidence you've indicated that
3 there's a core interdisciplinary team of four to six
4 people plus a fuller team--

5 A. Yes.

6 Q. --that's used to provide technical
7 support to them; is that correct?

8 A. Yes.

9 Q. When I refer to the core, ID team,
10 I'm talking about those four to six people.

11 A. Right.

12 Q. I'm presuming those are the people,
13 if there is continuity, they would be the people that
14 would maintain the most direct continuity in terms of
15 the plan and its implementation?

16 A. That reference was to this particular
17 activity, planning activity to develop this plan.

18 Q. Yes.

19 A. That core group is responsible to the
20 forest supervisor which is one level above the district
21 ranger.

22 Q. Yes, I appreciate that.

23 A. The forest is the planning level, the
24 district ranger of the district is the operational
25 level, so in terms of annual program of work you have a

1 different level, a different staff that is dealing with
2 this.

3 The ranger has an interdisciplinary group
4 of people that more often form ad hoc teams depending
5 on how the ranger has organized his staff. So that the
6 core group that prepared this plan may not be the same
7 people and we don't refer to them in the same way in
8 developing an annual program of work.

9 Q. I would like to look at the plan, if
10 I could, for a moment, and that is Exhibit 1754A, and I
11 would like to look at the actual implementation section
12 which I believe was Chapter 5. I would like to look
13 first at page 1 of that section.

14 MADAM CHAIR: This is Chapter 5, Mr.
15 Hanna?

16 MR. HANNA: Yes, Madam Chair.

17 Q. Now, under the heading
18 Implementation, Mr. Smith, the second paragraph it
19 indicates that there is two decision levels - and I
20 think you've discussed that in your evidence - the
21 first level being the national plan, which is what
22 we're looking at, and a second level which is described
23 on the following page which is the approval of
24 site-specific projects; correct?

25 A. Yes. This, by the way, is not the

1 national plan, this would be the forest plan.

2 Q. I meant national forest plan, I'm
3 sorry. Excuse me.

4 A. Pardon me, yes.

5 Q. Now, there's a statement made on page
6 2 in the first full paragraph there, the second last
7 sentence, it says:

8 "The forest plan and accompanying
9 environmental impact statement do not
10 contain sufficient detail to determine
11 which activities will be undertaken in a
12 site-specific location. Before these
13 decisions can be made, further analysis
14 will be necessary."

15 A. That's correct.

16 Q. And that further analysis is the
17 second level?

18 A. Yes.

19 Q. And the actual analysis that is
20 carried out is the - I forget the term you've used -
21 the environmental assessment or environmental impact
22 statement in extreme cases is carried forward at that
23 second level of analysis?

24 A. Yes.

25 Q. Now, on page 3 there's a schematic

1 there that's provided and, as I understand it, the
2 upper part of that schematic deals with the forest
3 plan; is that correct?

4 A. Yes.

5 Q. And the bottom part of the schematic
6 deals with the project level evaluation?

7 A. Yes.

8 Q. And there's a shaded box in the
9 middle which is entitled Analysis and Evaluation, and
10 this is referred to at the intermediate analysis stage
11 in the plan; correct?

12 A. Yes.

13 Q. Now, I want to understand why it is
14 necessary to have the second level of analysis. Why do
15 you have this two-step -- two-level analysis procedure?

16 A. The reason we do that is -- I'll go
17 back to the kind of definition here, is that plan
18 simply is not detailed enough to allow a district
19 ranger to proceed with the design of a project.

20 The inventory is not adequate, the
21 inventory supporting the forest plan is not
22 site-specific enough to allow design of a road, for
23 example, to be assured that the soil conditions, the
24 wildlife presence or habitat presence is -- knowledge
25 of that is sufficient, to actually locate a road or

1 prescribe a silvicultural treatment of a timber harvest
2 or locate a campground. Any of those things are just
3 simply -- our data and information that is still needed
4 to do an environmentally acceptable job and achieve the
5 objectives of this.

6 Q. And what takes place in that hatched
7 box that we see on page 3 entitled Analysis and
8 Evaluation? Where does that occur, who undertakes it,
9 it really isn't described as to what that intermediate
10 analysis consists of and how it's actually carried out?

11 A. I wouldn't characterize that as a
12 separate and distinct step. I didn't design this chart
13 so who knows what was in the mind of the person that
14 did.

15 I would say that that's sort of an
16 activity that occurs. It occurs to one degree in the
17 forest plan, but into a much more intense degree in the
18 project decisions, the spacial disaggregation, the
19 integrated resource analysis, the schedule and budget,
20 you know, all of those are considered at each of the
21 levels but the degree of detail is much different at a
22 project level as opposed to a forest plan level.

23 Q. Now, I take from the statements that
24 you've made that from your experience that it's
25 basically inevitable to have this two-level planning

1 approach because of the complexity of dealing with
2 site-specific information at the national forest plan
3 level?

4 A. Yes. I think from a practical sense
5 it is necessary and from a regulation and statute sense
6 it is too. The regulations actually call for this sort
7 of thing.

8 The direction of the Forest Service calls
9 for this, but as a practical matter I don't think one
10 could do it. Whether there was regulation supporting
11 that or not, one would have to, you know, get very
12 site-specific when designing or developing a particular
13 project proposal.

14 MR. HANNA: Madam Chair, I would like to
15 make as the next exhibit the Ontario Federation of
16 Anglers & Hunters Interrogatories for Panel 10. I've
17 included the entire package for perhaps future use as
18 opposed to maybe questions I'll be asking now.

19 In presenting these to you, the package
20 consists of interleaved pages, one being the original
21 interrogatory questions that we submitted to Forests
22 for Tomorrow and I've tried to interleaf, in the best
23 orders I could, the responses that came back from
24 Forests for Tomorrow, so we would have both the
25 question and the answer.

1 So it's an interleaving of both of the
2 packages.

3 MADAM CHAIR: Thank you, Mr. Hanna. How
4 many pages?

5 MR. HANNA: After so many years, the
6 embarrassment of having to go through and count pages,
7 you would think I would know better. 19, Madam Chair.

8 MADAM CHAIR: Why don't I just put down
9 lots.

10 MR. HANNA: (handed)

11 MADAM CHAIR: Thank you. That's Exhibit
12 1768.

13 ---EXHIBIT NO. 1768: OFAH interrogatory questions and
14 responses thereto re FFT Panel
 No. 10.

15 MR. HANNA: Q. Mr. Smith, if you could
16 turn to Interrogatory Question No. 22 which deals with
17 page 41 of your witness statement.

18 MADAM CHAIR: Your interrogatory number?

19 MR. HANNA: No. 22, Madam Chair.

20 MADAM CHAIR: On page 7.

21 MS. SWENARCHUK: The response is four
22 pages later, Madam Chair.

23 MADAM CHAIR: Oh, all right. Thank you.

24 MR. HANNA: Madam Chair, we can reduce
25 the number of pages from 19 to 18. I see page 8 is

1 duplicated.

2 Q. Now, Mr. Smith, I understand that the
3 statement you were making at this point in your witness
4 statement was that there is a need for detailed
5 inventories at the project level for the types of
6 reasons we have just described; is that correct?

7 A. Yes.

8 Q. Now, it's indicated, or the fourth
9 question asked:

10 "Please indicate where this need for
11 project level analysis is set out in
12 FFT's terms and conditions."

13 And your response indicates that this is
14 contained in condition 92.

15 I was wondering if you could turn up
16 condition 92 and indicate to me specifically which
17 component of condition 92 you're referring to in this
18 response?

19 MS. SWENARCHUK: Well, Madam Chair, I can
20 interject here that I provided the answer to the fourth
21 section and, as I read it, I should have been more
22 clear.

23 I should have phrased it that condition
24 92 indicates the extent to which Forests for
25 Tomorrow -- at this point specifically, condition 92

1 indicates, as I outlined for you yesterday, the
2 approach that Forests for Tomorrow is proposing in
3 regard to the new planning process.

4 And, as I indicated to you yesterday and
5 have previously in the hearing, we are not specifically
6 proposing the importation of all of the provisions of
7 the American planning system, but rather we have
8 established a certain number of principles and
9 suggested a five-year time period in which the Ministry
10 could move towards developing a planning process more
11 analagous to the American one.

12 I don't think you'll find in condition 92
13 this specific provision.

14 MR. MARTEL: There's no way then that a
15 comparison at this stage could be made between the two
16 systems and the one that we - well, there's three - the
17 one that the Ministry's put before us and the one that
18 the Industry has put before us and something that would
19 resemble yours, so that we could try to match where
20 each of these things are going to occur.

21 MS. SWENARCHUK: What I would hope to
22 assist you with in final argument, Mr. Martel, is an
23 outline of what we believe the principles that we have
24 proposed in condition 92 should lead to. But given, as
25 we said yesterday, the question of economics and

1 staffing and all of those things, we're content that
2 essentially the Government of Ontario would have to
3 make a decision about how far they would want to move
4 in that direction.

5 But we will certainly outline to you what
6 proposals we hope you would, if you so choose, adopt
7 for recommendation to them.

8 MR. HANNA: Q. Mr. Smith, I have to just
9 for the record -- I want to ensure that you adopt these
10 interrogatory responses as your evidence, with the
11 exception of those responses of the nature that Ms.
12 Swenarchuk has just described that deal with the
13 interpretation of, for example, FFT's terms and
14 conditions?

15 A. That's correct. Forests for Tomorrow
16 did choose to answer some of these on their own, so I
17 don't remember where they are or just how much, but
18 they're threaded throughout this document.

19 Q. But those responses that are of a
20 technical nature you endorse as your evidence as an
21 expert here before this hearing?

22 A. Yes, I do. I can identify those that
23 I answered.

24 Q. That's fine, I think that's
25 sufficient. Now, I would like you to turn back to the

1 OFAH terms and conditions, if you would please, and I
2 would like to look specifically at page 18, Section 4.1
3 which deals with the annual work schedule.

4 Now, you're familiar with what an annual
5 work schedule consists of in the Ontario planning
6 system?

7 A. I wouldn't say I'm too knowledgeable.

8 Q. Well, I won't say it's comparable to
9 the annual program of work because I think it's not
10 perhaps as comprehensive. It has certain similarities,
11 and I believe there is also beyond that a project level
12 stage that's similar to what I've been described from
13 the U.S. Forest Service.

14 One of the difficulties is that we have
15 heard in this hearing and that my client faces on a
16 regular basis is exactly what we've just discussed and
17 that is the lack of specificity when you're dealing
18 with timber management plans or with what actually
19 occurs on the land, and this set of terms and
20 conditions attempt to try to deal with those and I just
21 want to review them briefly with you and see if this at
22 least goes in the direction that you see would be
23 necessary to deal with those types of issues.

24 A. Right.

25 Q. Now, term and condition No. 105 sets

1 out the information that needs to be included in the
2 annual work schedule. You can see it's similar to what
3 would be involved in an individual project level
4 application in terms of the detailed design, layout,
5 implementation schedule and environmental protection
6 measures.

7 That's similar to what you would have in
8 a project level application; is that correct?

9 A. I think it's similar. I think it's
10 more than environmental protection. With that caveat,
11 I would say that it's similar.

12 Q. And the more than environmental
13 protection is that when you prepare the project level
14 analysis you actually prepare an impact prediction
15 component to that which looks at the implications in
16 terms of targets and standards and environmental
17 measures; correct?

18 A. That's correct. But beyond that,
19 there are -- any area would be affected by other
20 resource value goals and objectives in the U.S. system,
21 specific goals.

22 So if I were to propose a timber sale in
23 an area of land not only would I be concerned about
24 environmental protection, but I would be concerned
25 about achieving the goals of the other resource values

1 be they wildlife habitat, recreation, whatever they
2 might be, and you could describe that in terms of, say,
3 the road that is to be built to access this timber
4 harvest, consideration would be given to that road to
5 accommodate and facilitate the objectives of the other
6 resource values and that might alter the location of
7 that road or even the standard of that road.

8 So if we could expand environmental
9 protection to include that, then I think they are very
10 similar.

11 The premise, of course, is that there is
12 already an integrated forest objective that includes
13 all these values before one even starts to design a
14 timber harvest.

15 Q. Well, just for your information, that
16 is the premise upon which this is built, so I agree
17 with you there.

18 So that in terms of the impact
19 prediction, would it be fair to say in that impact
20 prediction it's not impact -- simply the adverse
21 context but it's also in the positive context in terms
22 of what the impact of the activity might be in terms of
23 achieving certain objectives?

24 A. Yes.

25 Q. Now, term and condition 106 requires

1 a formal approval of the annual work schedule and
2 Section 106(1) requires on-site reconnaissance
3 biological surveys, particularly for roads and harvest
4 areas.

5 Is this the type of activity that
6 typically takes place in the U.S. when you do a project
7 level analysis.

8 A. Yes, it does.

9 Q. Now, in the event of an unresolved
10 objection to a project level analysis in the U.S.
11 Forest Service system, there is an appeal mechanism; is
12 that correct?

13 A. Are you referring to some sort of
14 internal appeal or external to the agency?

15 Q. Let's take it right up the ladder.
16 Start internally, where do we go from there?

17 MR. FREIDIN: I'm sorry, an appeal
18 mechanism from, what are you talking about?

19 MR. HANNA: If there's formal objection
20 to the project in terms of the forecasted effects or
21 whatever the concern might be, is there a formal appeal
22 mechanism to that.

23 And Mr. Smith is going to explain, I
24 hope, the ladder of appeal that concerned citizens can
25 follow.

1 MR. FREIDIN: All right.

2 THE WITNESS: The Department of
3 Agriculture has in its regulations an administrative
4 appeal process that allows citizens or private groups
5 or other agencies to appeal a Forest Service officer's
6 decision, so that if the district ranger approved a
7 project, say a timber sale or a road construction
8 project, and somebody didn't like that, didn't think it
9 was lawful or it was bad judgment, was not consistent
10 with the plan, then that individual could use the
11 administrative process to appeal that, then that
12 triggers a very systematic sequential series of
13 activities whereby that forest officer's decision is
14 reviewed by his or her superior and there are, in some
15 cases, second and third level reviews. So the process
16 can continue on for, you know, some distance.

17 MADAM CHAIR: Excuse me, Mr. Smith. And
18 this is separate from the forest plan review process
19 that goes to the chief forester that you explained
20 yesterday?

21 THE WITNESS: Yes. This would be a
22 different level or a different issue. This would
23 presume the forest plan now is in effect, it's gone
24 through all those processes, and now a district ranger
25 at the operational level would be implementing it with

1 a project and someone or some group would say: No, we
2 believe that is an error or not proper, they would
3 appeal that district ranger's decision to his
4 superiors.

5 MADAM CHAIR: And are those decisions --
6 does the review have to be done quickly to see
7 administrative --

8 THE WITNESS: There are prescribed time
9 frames.

10 MADAM CHAIR: So there's not a long time
11 to wait before a decision is made?

12 THE WITNESS: No. There's usually kind
13 of 30-day increments at which someone must appeal a
14 decision within 30 days, some cases it's 45 days, and
15 then they must provide their statement of reasons
16 within usually a 35-day period.

17 The deciding officer prepares a
18 responsive statement within 30 days, shares that with
19 the appellant and the package goes to the reviewing
20 officer and, in this case the forest supervisor, who
21 then has 30 or 45 days to issue a decision.

22 Now, you add all those days up, it does
23 take a little bit of time, but hopefully the process
24 will be compressed because people will --

25 MADAM CHAIR: And does the same condition

1 apply to this level of review, that you don't go ahead
2 and harvest an area that is being appealed?

3 THE WITNESS: There's nothing in the
4 regulations or the law that says you must stop. For
5 example, if it were a timber sale, the appellant might
6 appeal this timber sale, the ranger might say: Okay,
7 we'll process this appeal, however, I will continue to
8 do the planning and the work necessary to proceed with
9 the sale. He would not allow it to be cut, he wouldn't
10 allow anything physical to happen on the ground that
11 would change or alter that situation.

12 So that is usually what happens, is that
13 planning may go on, but the final act of actually
14 selling the sale and cutting it would not go on until
15 this matter were decided.

16 MADAM CHAIR: Mm-hmm.

17 MR. MARTEL: Are we talking about two
18 different types of appeal here? It sounds like it, and
19 I would like to know which triggers in which one?
20 What's the difference, which route do you go?

21 MR. HANNA: Mr. Martel, can I get
22 clarification of your question.

23 MADAM CHAIR: I think Mr. Martel is
24 talking about the discussion yesterday where we had the
25 appeal of the forest plan.

1 THE WITNESS: All right. That is
2 separate.

3 MADAM CHAIR: And that appeal went to the
4 chief forester.

5 MR. MARTEL: Okay. Why the difference?
6 What are the different conditions that lead you to
7 taking one of two routes?

8 THE WITNESS: All right. They're really
9 kind of the same process or same route but on a
10 different question.

11 MR. MARTEL: Okay, that's what I'm trying
12 to get at.

13 THE WITNESS: Okay. The decision to
14 adopt this plan would be a decision that could be
15 appealed.

16 MR. MARTEL: Of the whole plan.

17 THE WITNESS: And it has been.
18 Okay. That goes through the process and is resolved
19 presumably. Then once that's resolved the ranger then
20 begins to implement that decision and his
21 implementation decision, say, to do a timber sale or
22 build a road could also be appealed under the same
23 process, but it would be a different decision.

24 MR. MARTEL: Okay.

25 MADAM CHAIR: Mr. Smith, in this review

1 process of the specific projects, has there been any
2 discussion in the U.S. that this process is abused,
3 that people appeal or use the appeal mechanism to stop
4 projects on the ground?

5 THE WITNESS: There is constant
6 discussion about that, yes. And, in fact, the appeal
7 process is almost constantly under review in terms of
8 changing it to eliminate that problem and, of course,
9 the problem is how do you allow due process and still
10 avoid abuse. So you end up with compromise.

11 MADAM CHAIR: And on the other hand, is
12 your public critical of the fact that they have to
13 appeal to the jurisdiction that is doing the work?
14 Have you thought of an appeal outside the Department of
15 Agriculture or the Forest Service?

16 THE WITNESS: The public has not
17 expressed a great deal of concern about that because
18 they know they can always resort to the courts, they do
19 have other means.

20 The courts in the U.S. have pretty well
21 established that until the administrative review
22 processes are accomplished the courts do not want to
23 deal with the issue. So there's fairly good acceptance
24 of that.

25 There has been in the past sort of third

1 party review boards and we still use those in cases of
2 contract disputes. Those review boards are not
3 controlled by the Forest Service, they are not Forest
4 Service people. That system was discarded a long time
5 ago on these other kinds of matters.

6 So I don't sense that there's a great
7 deal of dissatisfaction with it. I think there's some
8 cynical views of, you know, a forest supervisor may
9 rubber stamp his district ranger's decision, but it's
10 not unheard of for a district ranger to be overturned
11 or a regional forester or anybody else and that, in
12 fact, the appeal system is in fact a good way to
13 re-examine policy.

14 Sometimes a district ranger follows
15 policy but the policy is no good. By the time it
16 reaches the chief, the chief decides to change the
17 policy because the whole issue is brought to his
18 attention.

19 MR. MARTEL: You'd would have some
20 difficulty convincing some people that the same agency
21 should review the decisions that are made.

22 I'm surprised there isn't more cynicism.
23 You say there's very little of it that manifests
24 itself, but certainly here anything that perceives of
25 somebody reviewing themselves, their own decisions

1 meets with a lot of hostility.

2 THE WITNESS: Yes. And there is that
3 present in the U.S., but I think over the past decade
4 or so the Forest Service has gained some credibility
5 because there's been enough modifications and changes
6 by reviewing officers to say: Well, you know, it does
7 work, it is happening.

8 MR. HANNA: Q. Now, a concern that my
9 client has is one that the Board has raised and, that
10 is, abuse of the process; in other words, basically
11 appeals for simply other reasons that slow down the
12 process.

13 What remedy does the Forest Service have
14 for that, or is that basically what you're saying,
15 that's why it's under appeal?

16 A. I think those abuses occur? It's --
17 you know, the Forest Service has attempted to revise
18 the appeal regulations so that that aspect is
19 diminished.

20 I don't think you can ever wash that
21 completely out. If you did, you would deny people due
22 process. So I think it has to be a balance of things,
23 it's a cost of our system. I think there's a general
24 acceptance of it.

25 Public pressure itself tends to cause the

1 radical people who are using that as means to stop the
2 world, I think, you know, public sentiment begins to
3 shift away from them and there's some checks and
4 balances that are occurring.

5 Q. Now, what time horizon is necessary
6 to deal with the contingency of an appeal to a project
7 level? You had mentioned yesterday, I believe, a
8 five-year queue of projects that are scheduled to come
9 on line.

10 What sort of lead time is required in
11 planning your projects in order that you don't end up
12 with facing being held at ransom in terms of your
13 planning?

14 A. There are several points at which a
15 timber sale could be appealed, there are decisions
16 point. For example, the first time it appears on the
17 five-year schedule it can be appealed, and the appeal
18 regulations and process do require that parties don't
19 wait till the last minute. You know, if the decision
20 to place it on the five-year action plan were really
21 the issue, this should have been appealed then and 30
22 days elapse and you can't appeal that, you've foregone
23 your privilege.

24 So there are several points along the way
25 that -- I say several, there are some points along the

1 the way that are decisions and they can be appealed and
2 they should be; if they're not, then they've foregone
3 that.

4 You still end up at the very last moment
5 with appeals, that's almost unavoidable. So the Forest
6 Service tries to have enough in the pipeline so that
7 other sales can be brought forward as substitutes.

8 Now, there comes a point when you run out
9 of substitutes and at that point you fail to meet your
10 targets.

11 Q. Now, when is the environmental
12 analysis prepared for the project relative to the
13 five-year queue, when it comes onto the queue or at
14 some point down the queue?

15 A. When it comes on to the five-year
16 plan the environmental assessment begins, commences,
17 and to my knowledge there's no specific time when that
18 will be finished. It probably is more or less an
19 ongoing thing until within a year or two of actual
20 sale, and that's going to vary by district ranger. A
21 ranger may want to bring some of them forward faster
22 and others slower. I suppose that ranger's thinking
23 about: Is this one going to be appealed or not, how
24 difficult is it going to be, try to get some of those
25 things out of the way early enough so he has time.

1 Q. Would you agree that it's important
2 in order for a public interest group like the one I
3 represent in order to have that environmental analysis
4 with sufficient time to decide whether or not appeal is
5 appropriate so that you don't end up with that -- with
6 30 days and basically if you appeal the local community
7 goes under because you needed the wood and there's all
8 sorts of ramifications to that?

9 A. I think it's essential that you know
10 the schedule.

11 Q. So in terms of developing the
12 schedule it's important, in your view, also to ensure
13 that there's sufficient lead time in terms of
14 developing that information for concerned citizens to
15 reach a reasonable opinion?

16 A. Yes.

17 Q. Now, I heard -- I believe in your
18 oral evidence you indicated that this process of
19 project level environmental analysis has been in place
20 for two to three decades; is that right?

21 A. Yes. You know, the statutes have
22 changed and new statutes have come along, but basically
23 the process has been in effect since the 60s certainly.

24 Q. So despite the potential for appeals
25 and all the things you've talked about, the system has

1 at least allowed the forest industry to survive in the
2 U.S., at least that portion that is depending upon
3 national forests for that period of time?

4 A. Yes.

5 Q. Now, as I understand it, at the
6 project level environmental analysis there is
7 additional or new information collected; correct?

8 A. Yes.

9 Q. Now, what process is in place to
10 collect, store, analyse the information that is
11 collected at the project level, at the planning stage?

12 A. All right. This varies by Forest
13 Service region. The region we're talking about here
14 has a computerized inventory storage system that is
15 available to each ranger district and as data and
16 information is collected it's simply added to that and,
17 again, I'm not an expert in this, but I know I could go
18 to the district ranger, point to the map, and that
19 district ranger could call up the information and data
20 that he or she has and display it probably on a map and
21 in a narrative. It would be done through computers and
22 microfiche and that sort of thing.

23 That -- each region has little different
24 ways of doing this, they all work. To my knowledge the
25 Forest Service has no uniform standard, although there

1 are -- I guess there are standards to the degree that
2 there is consistency in the availability of data but
3 not how to do it.

4 Q. But that information is stored and
5 maintained in the central databases that's available to
6 forest planners and members of the public?

7 A. That's right. Central in terms of
8 forest by forest and ranger district by ranger
9 district. The region probably does not maintain a
10 central database of all national forest, it has access
11 to all national forest but, to my knowledge, no region
12 has the entire, you know, gob.

13 Q. Now, an issue that has arisen during
14 this hearing is the matter of keeping track of what's
15 actually happened on the land, what I call as-built
16 drawings in another field I am sometimes involved in.

17 What measures are there or what
18 requirements are there in the U.S. forest planning
19 system to maintain track of what actually occurs on the
20 land after it's occurred?

21 A. Usually the same system of data
22 storage contains, you know, the effect of various
23 activities. So that if you went to a ranger district
24 and you wanted to know how many acres plantation there
25 was, that ranger could pull that up for you, or if you

1 observed a clearcut on such and such a road, you could
2 point to that clearcut on the map and that ranger could
3 pull out the record of that plantation, when it was
4 planted, when it was inspected for stocking levels, if
5 it was treated by pesticides or brush was mechanically
6 removed, all those things are a matter of record and
7 are a part of the overall inventory data and
8 information stored.

9 Q. So is the requirements for Forest
10 Service personnel or the timber contractor himself to
11 report to the Forest Service what happens after it's
12 happened in terms of both the geography and the
13 activities?

14 A. The Forest Service keeps track of
15 this. Now, obviously the timber industry has certain
16 data that would be valuable, but I don't think there
17 would be very much resource data that the timber
18 industry would be providing the Forest Service because
19 the Forest Service is looking and right there with the
20 industry as a timber sale is harvested.

21 The Forest Service lays out the timber
22 sale, the Forest Service personnel do everything,
23 almost everything or oversee everything, so that the
24 industry would not be in a position to have better
25 data. The industry does have data about what was

1 recovered from the raw product.

2 If the Forest Service scales it and then
3 they watch what the recovery is out of the mill, they
4 will be using industry data for that, industry data on
5 costs would be go into the makeup of this. The Forest
6 Service collects cost data from the industry, but
7 resource, no, I think there's very little information
8 that the industry provides the Forest Service on
9 resources.

10 Q. I was going to come to this later but
11 you've made reference to it and there was reference
12 made to it yesterday, and that is the collecting of
13 cost data from the industry.

14 There has been concern expressed by the
15 forest industry in Ontario about the proprietariness of
16 that information, difficulties in terms of
17 competitiveness and things you are aware of.

18 How is that dealt with in the U.S.?

19 A. The Forest Service recognizes the
20 proprietary, importance of that kind of data. We're
21 very careful, but as part of our contract agreements
22 with the industry we are permitted to go into their
23 bookkeeping and collect these costs and we do it on a
24 regular basis and that becomes the basis for these cost
25 estimates.

1 In the United States there are numerous
2 companies and numerous operations so data can get sort
3 of lose its identity and that, to my knowledge, has not
4 been a problem, but it is a major concern with the
5 forest industry and, you know, we honour that by being
6 very careful, confidential about identifying any data
7 with a particular company.

8 MR. MARTEL: Why do you do the scaling?

9 THE WITNESS: Pardon me?

10 MR. MARTEL: Why do you do the scaling?

11 THE WITNESS: We don't do all the
12 scaling. We have what we call third party scalers,
13 these are scaling bureaus that are independent of
14 either the industry or the Forest Service, so that we
15 use Forest Service scalers are people who, you know, do
16 the measuring whether it be by weight or board foot
17 scale, and then we use third party bureaus to scale it
18 and that is the basis of the money exchanges.

19 If a third party bureau does the scaling
20 or measuring, we check scale usually by a remote basis,
21 so there's no way for the bureau to know that we're
22 doing it, and then we compare those checks and, of
23 course, the industry does the same thing. They're
24 interested in getting a fair measure as well.

25 MR. HANNA: Q. So in terms of the matter

1 of confidentiality, that information, the cost
2 information, the industry cost information is made
3 available to the Service and the Service has provisions
4 to maintain that confidentiality a part of its
5 operations?

6 A. Yes, yes.

7 MADAM CHAIR: Is this a good time for the
8 morning break, Mr. Hanna?

9 MR. HANNA: Certainly, Madam Chair.

10 MADAM CHAIR: Thank you.

11 ---Recess at 10:25 a.m.

12 ---On resuming at 10:45 a.m.

13 MADAM CHAIR: Please be seated.

14 MR. HANNA: Q. Mr. Smith, I would like
15 to turn to your witness statement and I would like to
16 turn to page 33. Page 33 is part of the section
17 discussing the Conservation Foundation critique;
18 correct?

19 A. Yes.

20 Q. And the middle of the page there
21 there's listed five criteria, although the text says
22 six and I think you amended that in Exhibit 1753 and
23 added a sixth to it.

24 A. Yes.

25 Q. Which was that the process addresses

1 major issues in terms people can understand.

2 A. Yes.

3 Q. Now, I'm going to suggest to you that
4 there might be a seventh criteria that -- well, perhaps
5 first of all I should take a step back.

6 I take the fact that you've included this
7 in your witness statement, you endorse these as
8 reasonable criteria to judge a planning system?

9 A. Yes, but not all inclusive.

10 Q. Can you explain that, please?

11 A. I think there are probably other ways
12 to measure a good planning process. I certainly
13 endorse these. I wouldn't try to represent them as
14 being all the criteria.

15 Q. I understand. Well, I was going to
16 suggest to you a seventh just to start us on that road,
17 and I would suggest to you that this might be an
18 additional criteria that one might use and I want to
19 see if you would agree and, that is, that the process
20 offers a clear choice among a broad range of reasonable
21 feasible alternatives.

22 A. I agree with that.

23 Q. Now, there's evidence before this
24 Board, it's Exhibit 1281 - you don't need that for the
25 purpose of my question - it's a transcript of evidence

1 given by Dean Gordon Baskerville from the University of
2 New Brunswick and he's indicated that he says the
3 primary issue in forest planning in Canada at the
4 present time is to provide a reasonable range of
5 choices to the public so that they can appreciate, in
6 fact, that there is a range of choices and that
7 associated with each choice are various advantages and
8 disadvantages.

9 I take it the U.S. planning -- U.S.
10 Forest Service planning system already has built into
11 it those types of choices?

12 A. In fact that is pretty well outlined
13 in the statute.

14 Q. And how long has that been in place,
15 the need to provide choices to the public?

16 A. Well, I think it's been informally
17 present in our planning system since the 50s, perhaps,
18 but the statute made it a matter of law with the
19 National Forest Management Act, National Environmental
20 Policy Act. These are all provisions of the 60s and
21 70s that came along.

22 Q. So is it fair to say, based upon your
23 experience with the U.S. Forest Service, that it is
24 practical to provide a range of choices in forest
25 planning?

1 A. Yes.

2 Q. Now, Dean Baskerville also in that
3 exhibit I referred to makes reference to the need to
4 make the public aware of the linkages between
5 management activities and the range of feasible
6 choices.

7 I think the concern he's raising is the
8 fact that you can't have your cake and eat it too, you
9 have to recognize if you want this there is certain
10 things that go along with it.

11 Is that an issue that you've addressed in
12 the U.S. planning system?

13 A. Yes. If I interpret that correctly
14 as effects of actions, yes.

15 Q. And how is that information conveyed
16 to the public in the planning system in the U.S.?

17 A. It's displayed in the evaluation and
18 comparison of alternatives.

19 Q. Would it be fair to say it's also
20 contained in the system by the very fact that there's a
21 strong emphasis on quantification and the use of
22 predictive tools?

23 A. I think quantification and the use of
24 predictive tools are part of the way the evaluation and
25 comparisons are displayed for the public, yes.

1 Q. And also to explain or also provide
2 to the public, for those people who want to dig and
3 understand how the evaluations have taken place, what
4 the connections are?

5 A. I think that's fair to say.

6 Q. Now, another principle that seemed to
7 be clear in your witness statement and in your oral
8 evidence is that the use of quantified measures to the
9 highest degree possible - and you've made some caveats
10 that there are some things that you're suggesting
11 aren't quantified at the present time - but to the
12 highest degree possible, that is an objective in the
13 planning system?

14 A. I think it's one objective to, in
15 effect, provide full disclosure to both the
16 decision-maker and to the public. Quantification is
17 not the only way we would attempt to, you know,
18 describe or represent a particular alternative.

19 I believe really that combined with a
20 description of the desired future condition or future
21 state or vision, if you will, they both have to go
22 together.

23 Q. Now, in terms of the quantification
24 side of things, is it not true that the U.S. Forest
25 Service planning system is founded on a suite of

1 reasonably sophisticated predictive tools that are used
2 to assist planners in their task?

3 And I'm not speaking here necessarily of
4 FORPLAN, I'm talking about a whole variety of other
5 tools that might be used; RENS, habitat suitability
6 models, a whole variety of tools like that?

7 A. Given that definition, I think that
8 is probably accurate.

9 Q. And one of the major uses that those
10 tools are put to is the prediction of the effects of
11 timber management activities or forest management
12 activities on the environment?

13 A. Yes, the effect on the environment.
14 That is, again, really in statute.

15 Q. Now, are these tools - and the Board
16 has heard some of it through evidence already and will
17 probably be hearing more - are these tools used
18 throughout the U.S. Forest Service or are they only
19 used in the Pacific Northwest?

20 A. No, those tools are used throughout
21 the Forest Service.

22 Q. Now, would you not agree that there's
23 a very broad range of environmental conditions within
24 the national forest system ranging from boreal systems
25 to desert systems, to subtropical almost systems, there

1 is a broad range of systems?

2 A. Yes, yes.

3 Q. Now, given the fact that these tools
4 are used over a broad range of environmental
5 conditions, does it not follow that there is a high
6 degree of transferability potential with these tools
7 although there will undoubtedly be the need to make
8 adjustments in terms of the primary data for each
9 environment?

10 A. I think that is accurate to say, that
11 the tools, the concepts and the principles apply from
12 the tropical forests of Puerto Rico to the rain forests
13 of the Olympic, to the boreal forests of Alaska, but
14 the specifics, you know, the technical aspects of that
15 will vary but the principles still apply.

16 Q. And the actual structure of the tool
17 itself may be very similar although you may have to
18 change coefficients or primary data, that type of
19 thing?

20 A. I would characterize it that way,
21 yes.

22 Q. I just want to be clear on this
23 point. You have indicated in your evidence - and I
24 will be coming to FORPLAN at some point - but you
25 indicate in your evidence there's a trend to try and

1 reduce the complexity of the U.S. Forest Service
2 planning system, and when you say reduce the
3 complexity, are you suggesting that the use of
4 quantitative techniques and explicit impact prediction
5 tools should be abandoned and a qualitative subjective
6 assessment approach should be used?

7 A. No. I don't think there's any
8 suggestion we abandon quantification, but the premise
9 that we need to simplify it to reduce the complexity,
10 that's accurate.

11 Q. So is it fair to say then that the
12 question of simplifying the process is more a question
13 of using the planning tools developed more efficiently
14 and effectively and perhaps even developing additional
15 tools?

16 A. I think all of those things and
17 placing appropriate weight on, you know, various tools
18 and information that is derived out of those tools.

19 Q. Are you suggesting that the user of
20 these tools has to recognize they are still the
21 decision-maker rather than the tool being the
22 decision-maker?

23 A. That's very accurate.

24 Q. Now, the Board has heard some of the
25 difficulties that the current system is facing in terms

1 of the length of timing to get these plans in place,
2 and also I think you've provided a fairly comprehensive
3 statement of the types of - I don't want to use the
4 word revolutions - but the types of major changes that
5 are occurring in the U.S. Forest Service planning at
6 the present time. That's a fair statement, is it?

7 A. Yes, there is an evolution of process
8 and approach.

9 Q. Now, if the Board were to want to get
10 an appreciation for the long-term consequences of
11 adopting a planning system like the U.S. Forest Service
12 uses, would you think it would be appropriate to look
13 at what's happened over the last round of plans, or do
14 you expect that the process will become more efficient
15 as these changes are incorporated in the process?

16 A. I think the planning process in the
17 U.S. will be greatly improved as a result of the
18 experience. I would not suggest to anybody they adopt
19 what we have done, but to adopt what we have done as
20 modified through experience and to fit the
21 circumstances that they would find themselves in.

22 Q. Yes. It was the administrative side
23 that I was interested in in terms of what are the
24 administrative hurdles that might be involved in
25 developing or moving in the directions that might be

1 similar, although appropriate, for Ontario, what the
2 implications might be in terms of length of time, cost,
3 those types of issues.

4 And I'm simply asking, would you say that
5 what has happened in the last round of plans is what
6 you feel would be representative of the future, or do
7 you feel the future will lead to more efficient
8 planning?

9 A. I think the future will lead to more
10 efficient planning. The Forest Service just last
11 month, I believe it was, issued a tentative proposal
12 for change of the planning system and it grew out of
13 the recommendations of the Conservation Foundation. In
14 fact, those tentative change proposals were published
15 in the Federal Register, a document that the U.S. uses
16 as communicating proposed federal actions.

17 Q. Without in any way, not being
18 disrespectful, you've had to live through this
19 evolution and you've seen it; that's a fair statement?

20 A. Yes.

21 Q. If you were able to do it all over
22 again, is it your view that what has happened has had
23 overall a positive impact on the U.S. as a result of
24 these types of changes?

25 A. You're talking about changes in the

1 management of the national forest?

2 Q. The application of the National
3 Forest Management Act, the whole -- the evolution of
4 the process that's occurred up to this point. I'm sure
5 there's things you would change if you could do it over
6 again, but overall has the impact in your view been
7 positive?

8 A. Oh, absolutely.

9 Q. Now, I would like to go through each
10 of the criteria on page 33, if we could, and I just
11 want to make sure I understand the message that you
12 feel that we should take from each of those criteria.

13 The first criteria is that the process is
14 simple and clear. Now, what do you mean by the process
15 in this particular case or what -- I realize this is an
16 excerpt from the Conservation Foundation but you are
17 suggesting that these are appropriate measures to use
18 and, therefore, I'm asking you what you feel should be
19 interpreted as the process in this context?

20 A. Yes. To me it means that the
21 sequential actions and activities that the Forest
22 Service uses to begin and end the planning process are
23 straightforward, understandable by people, that is lay
24 people, written in simple language, have a sequential
25 way about them that, you know, builds upon step by step

1 towards an end result.

2 Q. Now, would those comments apply - and
3 I am focussing on this matter of what the process is -
4 would the possess include public participation, the
5 process of public participation?

6 A. Yes, an essential part.

7 Q. Would the process include the
8 administrative aspects of developing and implementing
9 the plan?

10 A. The administrative aspects, you're
11 saying the actions the Forest Service would be
12 undertaking?

13 Q. Yes, as far as what is contained in
14 that word process?

15 A. Yes.

16 Q. Would you agree that the analytical
17 process underlying the planning should also be simple
18 and clear--

19 A. Yes.

20 Q. --to the greatest extent possible?

21 A. Yes.

22 Q. Would you agree, however, that it's
23 often the case that resource management issues and
24 forest management planning in particular are complex by
25 their very nature and that this complexity is

1 unavoidable?

2 A. Well, it's obviously going to be --
3 it's more like building an automobile than it is like
4 building a foot stool. By definition it's going to be
5 a lot more complex because there are many more
6 variables, much more information, many more operations,
7 if you want to put it in that context.

8 Yes, I think what is implied here is
9 let's don't make it any more complex than necessary,
10 it's already a complex thing, let's don't put a lot of
11 baggage on it that makes it even worse.

12 Q. In terms of the public consultation
13 process, would you agree that a challenge of the forest
14 manager is to distill the complexity down to its most
15 essential element or elements so that it can be
16 represented in a simple and clear way to the public?

17 A. Certainly.

18 Q. But on the other hand, would you
19 agree that it's essential that the resource manager
20 must be prepared to reveal the underlying complexity
21 for those who want to dig deeper?

22 A. Yes.

23 Q. Now, the next criteria is the one of
24 being transparent.

25 MADAM CHAIR: Excuse me, Mr. Hanna. The

1 Board finds these very self-evident. If you have
2 something specific that you don't understand about
3 those, go ahead and put the questions to the witness,
4 but this is just so self-evident we don't think we
5 should spent a lot of time on it.

6 MR. HANNA: All right, Madam Chair, I
7 appreciate that direction.

8 For the Board's just information, the
9 reason I'm pursuing - and I won't be spending that much
10 more time on this - but the reason I'm pursuing these
11 matters is that you have made it quite clear to me that
12 you don't want to hear more about the U.S. forest
13 planning system during our case.

14 This is my opportunity to deal with
15 issues that I might have otherwise dealt with if I was
16 going to be calling Mr. Smith or someone like him. And
17 while I appreciate, I'm encouraged that it's
18 self-evident to the Board and I will try and go quickly
19 through this rather than belabour it. But that's the
20 reason why I was pursuing this.

21 MADAM CHAIR: Thank you.

22 MR. HANNA: Q. Now, in terms of the
23 second criteria in terms of the process being
24 transparent, Mr. Smith.

25 A. Yes.

1 Q. Would you agree that by using
2 explicit analytical tools and quantitative methods that
3 the transparency criteria can be most easily achieved?

4 A. Well, I think quantification and
5 descriptive qualitative analysis is part of it.
6 Transparent to me means that just there's not anything
7 obscure about it, that everything is right out on the
8 table, there's no strategies or hidden, it's a full
9 disclosure, honest representation.

10 Q. And points of uncertainty and
11 professional judgment and those types of things are
12 clearly identified and identified as such?

13 A. Yes.

14 Q. Now, the fourth criteria is the
15 process is not an ordeal. I think the Board may have
16 already felt that at least this process has been an
17 ordeal, if they don't, I can tell you some parties do.

18 Have you any suggestions in terms of ways
19 to make it less of an ordeal?

20 A. Well, probably all the other things
21 that the Conservation Foundation is suggesting would,
22 you know, create an activity that isn't so cumbersome
23 and long. Like the public got weary of dealing with
24 this over such an extended period of period of time.

25 So, you know, planning should be exciting

1 and moving right along. I think if the process can be
2 speeded up and not bogged down with a lot of computer
3 runs and that sort of thing, be a little more
4 straightforward, it would be less of an ordeal.

5 Q. Now, on page 8 of your witness
6 statement you make reference to the changing Forest
7 Service mind set.

8 Are you aware of the evidence of Dean
9 Baskerville on this subject that is contained in his
10 audit and his oral testimony?

11 A. I've seen Dean Baskerville's
12 testimony but I have not studied it, so...

13 MS. SWENARCHUK: Excuse me. Are you
14 saying Dean Baskerville's testimony with regard to the
15 U.S. Forest Service mind set, Mr. Hanna?

16 MR. HANNA: No, I wasn't. I was
17 referring to his comments and his critique of the
18 current planning system in Ontario and what he
19 identified as a need for mind set adjustments in
20 Ontario.

21 MR. FREIDIN: It was the planning process
22 that he looked at, not necessarily the present one, is
23 the evidence.

24 MR. HANNA: Q. Now, the mind set
25 adjustments that you are describing here in your

1 witness statement as far as U.S. Forest Service goes
2 deals with going from basically a timber orientation to
3 I think what you called integrated planning
4 orientation, reflects all forest matters; correct?

5 A. Yes.

6 Q. Now, one means by which you suggest
7 the mind set adjustment has occurred is the promotion
8 of specialists other than foresters and enginners to
9 key line positions; correct?

10 A. Yes.

11 Q. Now, are you suggesting that if the
12 Ministry of Natural Resources were to follow that
13 model, that is to appoint non-foresters, enginners to
14 key line positions, that would be sufficient in itself
15 to ensure the mind set adjustment had occurred?

16 A. No, I'm not suggesting that.

17 Q. Which aspects of the U.S. Forest
18 Service planning process necessitated the mind set
19 adjustments that you're discussing?

20 A. Would you just repeat that?

21 Q. Sure. You want to see if I can get
22 it mixed up again. Which aspects of the U.S. Forest
23 Service planning process necessitated the mind set
24 adjustment you were discussing here?

25 A. Okay, the aspects, that's what I

1 was -- I don't know if I can really answer that. I
2 don't think the aspects of planning were -- the
3 relationship is not that clear to me, that the aspects
4 of planning of our forest had to do with mind set. The
5 aspects of planning are a process.

6 The mind set had more to do with the
7 image of the Forest Service and its people about what
8 forests ought to be used for. I think the Forest
9 Service mind set had more to do with its own
10 interpretation of what the public's objectives and
11 goals and purposes were for the national forest, and
12 that mind set, as you described, was leaning towards
13 the timber production side for a lot of good reasons
14 and as the public changed and the priorities changed in
15 the country that mind set didn't come along with it as
16 fast as it should have.

17 Now, that's why there were statutes and
18 that's why there were processes that sort of forced the
19 Forest Service to, you know, end up with a product that
20 reflected more nearly integrated resource management.

21 Q. Would you agree that the requirements
22 in the U.S. planning process for, for example,
23 quantitative analysis of forest resource benefits, all
24 forest resource benefits in addition to timber, was a
25 major factor contributing to the mind set adjustment?

1 The very fact they had to start looking at those
2 matters?

3 A. Well, it did have the effect of
4 forcing the Forest Service to better compare values and
5 uses of the forest and, again, that's kind of a
6 technique or a means by which to do that.

7 The basic underlying issue is what are
8 these forests to be used for, what are the purposes,
9 and the purposes were more than timber, and seeking
10 that balance really is more of a social-political
11 matter. But the quantitative processes that you're
12 talking about assisted both the Forest Service and the
13 public in dealing with striking that balance.

14 Q. But as a bureaucrat, I'm sure
15 you're -- or previous bureaucrat, you've been in the
16 organization, I'm sure you're aware of the difficulties
17 of causing those changes to occur.

18 And I think -- I can tell you my client
19 is looking at those types of concerns and trying to see
20 of ways in which you can encourage the administration,
21 the internal bureaucracy, not the political side, but
22 the internal bureaucracy itself to be responsive to
23 those types of issues, and we are looking for ways in
24 which that can be achieved.

25 And I guess I'm asking you is, how would

1 you go about achieving that within a bureaucracy?

2 A. First of all, I agree that change
3 comes slowly to large organizations, it's not confined
4 to natural resource organizations, that bureaucracies
5 were developed to provide stability and smoothing out
6 rapid changes.

7 I think for the Forest Service there were
8 a number of things that, you know, got it moving so it
9 was catching up to public sentiment. One is the whole
10 matter of appeals and challenges to Forest Service
11 decisions and planning. Legislation that resulted in
12 statute that required the Forest Service to change, to
13 look at values and priorities differently than before.

14 So, you know, all those things kind of in
15 combination allowed the Forest Service to accelerate a
16 change towards a different future for the national
17 forest.

18 I think that evolution is still
19 occurring. There is some who believe that we have not
20 caught up yet; others who are adverse to change, who
21 have a reason to have an interest in the status quo or
22 argue that we are changing too fast. Who knows where
23 that balance is.

24 Q. And those components of the
25 legislation that led to the change in mind set were

1 those that required the Forest Service to formally
2 evaluate forest benefits other than just timber?

3 A. I think that's accurate. Resources
4 Planning Act, National Environmental Policy Act and
5 National Forest Management Act in combination with a
6 number of other sort of narrow acts like Threatened and
7 Endangered Species Act caused the Forest Service to
8 move more rapidly.

9 Q. I would like to turn now to the
10 matter of monitoring, and I believe you discuss this in
11 your witness statement and in your evidence, and I
12 would like to turn to Exhibit 1754A and Chapter 5
13 again, and I believe the second part of Chapter 5 deals
14 with monitoring and evaluation starting on page 5.

15 Now, there's three types of monitoring
16 that are identified in the plan, and I take it these
17 are generic across the Forest Service, it's not
18 specific to this plan; the three types of monitoring
19 being implementation monitoring, effectiveness
20 monitoring and validation monitoring?

21 A. Yes.

22 Q. It's generic across the Forest
23 Service?

24 A. If not using those exact terms, the
25 intent is the same.

1 Q. And implementation monitoring is
2 basically compliance monitoring, seeing that what's
3 planned is carried out?

4 A. Yes.

5 Q. And effectiveness monitoring is --
6 there's a question on the top of page 7 that says:

7 "Did the practice or activity do what we
8 wanted it to do?"

9 Basically, were the objectives of the
10 plan achieved by the actions that were taken; is that
11 correct?

12 A. Yes.

13 Q. And the third type of monitoring is
14 what's termed validation monitoring, and I think what
15 we've called here effects monitoring which is: Has the
16 activity had the effect on the environment that we
17 predicted?

18 A. No. If I understand you right, I
19 think that would be more the second, effectiveness
20 monitoring level.

21 Validation monitoring in this context, of
22 this forest plan, is to validate the data and the basic
23 assumptions that led to, you know, the decisions and
24 quantification, et cetera.

25 Q. That would include the examples that

1 are shown there on page 7 in the second indented
2 paragraph: Wildlife habitat relationships,
3 relationships between timber harvest and water quality,
4 timber growth and yield?

5 A. Yes.

6 Q. Now, as I understand it, the
7 monitoring plan in the detail that's set out here must
8 be included in the forest management plan; is that
9 correct, that is a requirement?

10 A. The forest plan directs and requires
11 that there be a monitoring plan. The monitoring plan
12 in its full detail I don't believe is necessarily here.
13 The forest will develop, you know, a very detailed,
14 probably almost ranger district by ranger district of
15 what sampling and what measuring will be done and at
16 what frequency.

17 Q. Okay. Now, I would like you to
18 perhaps just take a moment and explain to the Board and
19 myself what I'll call the decision tree that is shown
20 on page 9 which is entitled Figure 5.3, Evaluation of
21 Monitoring Results for Forest Plan Implementation.

22 How does this work on a practical basis,
23 looking at it from the perspective of, say, a district
24 within the forest?

25 A. I have not studied this chart. You

1 have to understand, I'm not -- I wasn't the author of
2 this plan nor have I read the whole plan. I've seen
3 this plan and a lot of other plans, but not studied
4 them.

5 Let me just tell you what I know about
6 what I believe this probably suggests; and, that is,
7 looking at these three monitoring levels, if you will,
8 collecting those data in such a way that they loop back
9 to the planning projects; in other words, you start out
10 with a planning process and as you implement it you
11 collect information through monitoring and evaluation
12 which then loops back and feeds into the plan for
13 amendments and revisions, and that's basically what the
14 purpose of monitoring is.

15 Compliance, yes, making sure that you
16 know the Forest Service is doing what it said it's
17 going to do, but then the rest of it is to acknowledge
18 that you don't know everything about these forest lands
19 and the effects and implications, therefore, as we
20 progress in doing these things, we measure and validate
21 whether we're right or we need to adjust it and that
22 feedback loop comes in and allows the forest supervisor
23 to trigger amendments or revisions.

24 Q. And I think that's what's captured in
25 Figure 2 on page 4 just preceeding that, the looping

1 type of procedure you've described?

2 A. Yes.

3 Q. On Figure 3, however, there's the
4 three types of monitoring identified; implementation
5 monitoring, effectiveness monitoring and validation
6 monitoring as three distinct steps in the process and
7 it indicates that they kick in under certain
8 circumstances; correct?

9 A. Well, I think all these are going to
10 be carried on throughout the life of the plan. I'm not
11 sure what you mean by kicking in under certain
12 circumstances.

13 You know, compliance monitoring should be
14 continuing and certain things kick in if you discover
15 compliance is lacking, and the same thing can be said
16 about effectiveness or validation.

17 I would see those more as continuing on
18 some sort of a reasonable schedule and frequency and
19 then causing certain things to happen depending on the
20 results.

21 Q. Is this done at a local level on a
22 routine basis within the forest?

23 A. It's done at the ranger district and
24 the forest level primarily, although the regional level
25 will have some oversight, particularly on how the

1 monitoring is conducted and assurance that it is in
2 fact being done.

3 Q. And, as I understand it, the
4 monitoring or the results of monitoring is a trigger
5 for plan amendment; is that correct?

6 A. That's correct.

7 Q. Now, on page 6 there are seven
8 objectives set out for monitoring, and I'm interested
9 in No. 7 and, that is:

10 "Intensity of monitoring is commensurate
11 with the risk costs and values involved
12 in meeting plan objectives."

13 Is it fair to say that this is the
14 balancing mechanism that's used to set priorities and
15 that this is the way you avoid, I think what you called
16 getting bogged down in the whole monitoring process,
17 try to prioritize based upon these criteria?

18 A. Yes.

19 Q. And you see that as a reasonable way
20 to approach it?

21 A. Yes.

22 Q. Now, the actual monitoring program
23 itself -- or the monitoring plan, excuse me, itself is
24 organized according to certain categories. I think
25 those are set out on page 7 under the heading General

1 Monitoring Question, and it then continues through and
2 provides a series of headings; correct?

3 A. Yes.

4 Q. And those narratives are expressed in
5 the actual tables that are contained in this chapter,
6 and perhaps just as an example you can turn to page 45,
7 which is the monitoring questions, water quality in
8 lakes as an example.

9 This sets out specifically the components
10 of the monitoring program to be carried out in terms of
11 dealing with that particular monitoring question; is
12 that correct?

13 A. Yes.

14 Q. And in terms of designing the
15 monitoring program and the components of the monitoring
16 program that would be necessary to come to a reasonable
17 opinion on it, would you agree that these are important
18 categories to have included in that plan?

19 A. Yes.

20 Q. Now, on page 10 there's a complete
21 index to all of the monitoring table, and I certainly
22 don't intend to go through them.

23 The first thing that struck me when I
24 looked at it is there's listed here 41 tables for the
25 monitoring program, and it seemed to be rather daunting

1 to me. Is this the normal level of monitoring that is
2 employed in the U.S. at the present time, or is this
3 exceptional?

4 A. I really can't answer that
5 authoritatively, but I was told that the Willamette
6 plan was a good example of the whole planning process
7 and the product, so I have to believe that it's within
8 the, you know, the norm.

9 I don't think it would be extraordinary,
10 nor do I think that most plans would have more. I
11 would judge that it's somewhere, you know, about where
12 it ought to be in terms of the norm.

13 Q. Can you give us any idea of what the
14 cost in terms of monitoring are projected for this
15 plan?

16 A. I can't.

17 Q. Can you get that information for us?

18 A. I probably can give you an estimate
19 of some sort. I don't have those data with me, but I
20 probably can get -- a phone call or so, I might be able
21 to get something.

22 Q. Perhaps, I would be quite prepared,
23 Mr. Smith, if when you're under less pressure than you
24 are under right now, when you get back to your office,
25 if you can simply write a letter or whatever and

1 saying: Here, I've done some investigation and here is
2 what I've found, I think it would be useful. If that's
3 acceptable to the Board.

4 MADAM CHAIR: Any objections, Ms.
5 Swenarchuk?

6 MS. SWENARCHUK: No.

7 MR. FREIDIN: By the way, Mr. Hanna,
8 could you give us a copy of the response when you get
9 it?

10 MR. HANNA: Oh, I was presuming that
11 would be the case, Mr. Freidin, but if it comes to me I
12 will make sure all parties get a copy. I think it
13 would probably be best to send it to Ms. Swenarchuk and
14 the Board.

15 MS. SWENARCHUK: It will come to me and I
16 will provide it to you.

17 MR. FREIDIN: Thank you.

18 MR. HANNA: Q. Now, could we look at
19 Exhibit 1765 which is the letter I believe or memo that
20 was introduced yesterday.

21 A. What is the subject?

22 Q. It's from Mr. Boutruille?

23 A. Boutruille.

24 Q. Boutruille, sorry.

25 A. All right. That's the Region 6

1 monitoring strategy.

2 Q. Yes. Now, without going through this
3 document in detail, would it be fair to say that one of
4 the key messages that's clear in this is that there is
5 need for careful coordination of monitoring, despite
6 the fact it's carried on at the local level that there
7 is need for careful coordination at certainly the
8 forest level and in, many cases, the regional level?

9 A. I think that's fair to say.

10 Q. Now, if we can turn to page 5 of the
11 memo, there's a heading entitled Budget Considerations,
12 and under the heading Budget Considerations there's
13 three levels of funding identified.

14 The first is a program level, the second
15 is a forest plan monitoring -- excuse me, a specific
16 projects level, and the third is, I gather, exceptional
17 project monitoring. Those are basically the three
18 levels?

19 A. Those are the levels outlined in the
20 strategy, yes.

21 Q. Now, in the second and third levels
22 there's indication that and actually I will read it
23 directly from the discussion of the second level:

24 "This level should be charged directly to
25 the project that is funding the

1 activity."

2 A. Yes.

3 Q. Can you explain what that means?

4 A. That would mean that if you were
5 monitoring the effects of the timber harvest program,
6 the cost of that monitoring would be assigned to the
7 timber funds not the recreation funds or the wildlife
8 funds, but it would be assigned to the project funding
9 itself.

10 The Forest Service budget process is
11 rather complicated too. There's a number of accounts,
12 so to speak, and there is a timber account and that's
13 where the funding would be under that direction.

14 Q. Now, how does that account relate to
15 the distribution of revenues that come from timber
16 sales, are they separate or are they connected?

17 A. All right. The distribution of
18 revenues coming from timber sales is completely
19 separate from the appropriation process of Congress.
20 Granted that there are revenues that are diverted here
21 to specific projects, that is reforestation, et cetera.

22 It's conceivable the Forest Service may
23 consider that part of these deposits should be used for
24 monitoring, I can't tell you that.

25 Unfortunately none of these plans were

1 completed during my active service, so I'm not -- I
2 don't have personal experience in monitoring them. I
3 can say based on my experience with the agency that
4 there's likely to be some of these funds used to
5 monitor, because it is, in effect, a part of the timber
6 sale result.

7 Q. You anticipated my next question. I
8 just want to make sure that you -- I think that has
9 dealt with it.

10 Now, I take it that the results of these
11 monitoring programs are input into the database that we
12 talked about before in terms of the ongoing information
13 available for the forest?

14 A. Yes. Some of these data might not
15 lend themselves to an inventory map or a description of
16 the resource, but certainly the findings can alter the
17 conclusions about cause/effect and they've got to be
18 accumulated and stored in some manner.

19 I can't tell you exactly how that might
20 occur, but the requirement is there to accumulate these
21 and then that information is available for triggering
22 amendments or for plan revision when that time comes.

23 Q. And is it logical for you, in your
24 view, having experienced this process, for that type of
25 information to be collected and maintained at the

1 forest level?

2 A. Yes.

3 Q. Do you agree that by requiring forest
4 managers to undertake this type of monitoring at the
5 local level that this also could be a major
6 contributing force to adjusting their mind set?

7 A. To the degree that knowledge in fact
8 changes mind set, yes.

9 Q. Perhaps I can make this fairly quick.
10 I asked you to look at our terms and conditions
11 yesterday evening and one of the sections on page 23
12 deals with the adaptive management approach.

13 MR. COSMAN: What page?

14 MR. HANNA: Page 23, it's terms and
15 conditions 129 to 131.

16 MADAM CHAIR: Which exhibit are we in,
17 Mr. Hanna?

18 MR. HANNA: The OFAH terms and
19 conditions, Madam Chair, 1637.

20 MADAM CHAIR: And the page?

21 MR. HANNA: 23.

22 MADAM CHAIR: Thank you.

23 MR. HANNA: Q. Is it fair to say that
24 the essential elements that are set out here that are
25 termed adaptive management approach here are basically

1 integral elements in the planning system that you've
2 described in the U.S. Forest Service?

3 A. Understanding my limited knowledge of
4 Dr. Baskerville's adaptive management, in reading this
5 I like the concept. I like it because there's a lot of
6 things we don't know about how resources react and
7 respond, so I think it's a good idea that foresters, if
8 they decide something, they try it and observe it and
9 draw some conclusions about whether what they expected
10 actually did happen and then adjust it.

11 It's a little bit like anything else we
12 do, and Peters and Waterman in their Search of
13 Excellence described it in managing organizations, they
14 said, try it, watch it and fix it. And I see that as
15 happening here. You do things probably cautiously,
16 watch it, fix it, try it again.

17 So I like the concept. I'm certainly not
18 an expert in, you know, the full-blown description of
19 his adaptive management approach.

20 Q. If there's any consolation, I think
21 he made reference to the same study you did.

22 Now, I would like to turn to the matter
23 of plan objectives and standards, and we discussed this
24 briefly yesterday and I think you agreed that the
25 standards basically set the specific boundaries within

1 which management activities may operate, and within
2 that sphere the boundaries or the standards set,
3 objectives are used to direct management?

4 A. Now, you're referring back to the
5 forest plan, the standards and guidelines?

6 Q. Back to the forest plan, yes.

7 A. All right. Standards and guidelines
8 do tend to frame up the world of possibility.

9 Q. So that is it fair to say the
10 standard must first be met and then the manager
11 explores the possibilities that are available to
12 achieve the objectives within that boundary?

13 A. I think that's accurate.

14 Q. Now, in terms of monitoring, would
15 you agree that it's a relatively straightforward matter
16 to monitor compliance with a standard, but that in
17 terms of effectiveness and effects monitoring it's
18 virtually impossible because there's no predictive
19 component to a standard to start off with?

20 A. I think I generally agree with that.
21 Standards may imply certain results, effectiveness,
22 that to the monitoring process are found to be
23 inaccurate, but if a standard is, you know, limiting
24 clearcut sizes to 60 acres it either is or is not, so,
25 you know, in that context I agree with you.

1 Q. And unless that limit - and we'll
2 take the clearcut size as one that I know is a
3 favourite topic around here - unless that 60-hectare or
4 60-acre limit is expressed in terms of its implication,
5 explicitly stated in terms of its implication for, say,
6 wildlife habitat or in terms of visual quality or in
7 terms of some other resource benefit, effect or
8 effectiveness monitoring can't be carried out because
9 you haven't said what you expect it will achieve to
10 start off with?

11 A. I think the monitoring might
12 establish that standards and guidelines, if applied
13 absolutely rigidly, could result in responses or
14 effectiveness, if you will, that are not desired,
15 that's possible, and it seems to me the Forest Service
16 needs to be mindful of that in collecting theose data.

17 The standards and guidelines were
18 developed with almost universal agreement on what they
19 would achieve, so I don't --

20 Q. I'm sorry, what were?

21 A. With almost universal agreement.

22 Q. I'm sorry, I didn't get catch that.
23 Universal on what?

24 A. On what they would result in or
25 achieve, but there's always room for discovery and, of

1 course, that is one reason we made exceptions or
2 provided for exceptions to the clearcut size.

3 And I suppose it's conceivable that the
4 clearcut standard could be altered, maybe it should be
5 30 acres or, you know, 75 acres. So the monitoring
6 would have the effect of validating that standard as
7 well as just simply a compliance element.

8 Q. But only if that expected performance
9 in the standard was laid out explicitly; in other
10 words, the reason we set 60 acres was that will lead to
11 an improvement in marten populations?

12 A. I think that is fair to say. There
13 may be some implicit objectives as well, but these
14 particular standards that we're talking about, clearcut
15 size, are admitted in the regulations and, you know,
16 because of that there are a lot of social-political
17 things that are probably implied and not laid out in
18 the regulation, you know, as specific outcomes.

19 I think, you know, the answer is yes to
20 what you're saying, I don't want to get too complicated
21 on that.

22 Q. Now, would you agree that there is a
23 strong -- that this is a strong argument, the fact that
24 you said that there's a great advantage in terms of
25 doing effect and effectiveness monitoring, we call

1 adaptive management, because of the high uncertainty
2 and the potential to learn through that type of
3 process.

4 Is that a strong argument against using
5 standards any more than is necessary, that you want to
6 limit the use of standards to the greatest extent
7 possible and use objectives wherever you possibly can?

8 A. Yes. You know, as a professional
9 forester or resource person I agree with that, although
10 I believe there is a lot of common ground among all
11 interests about certain standards and the standards and
12 guidelines, even though there may be several of them,
13 they represent a relatively small amount of all the
14 variables, concerns that one would have in managing the
15 forest properly.

16 Q. Now, you've differentiated between
17 standards and guidelines, and I won't refer you to the
18 specific interrogatory in which you indicate, I think
19 it's in the witness statement also, that guidelines are
20 more general and don't contain the same quantitative
21 type of a value as a standard; correct?

22 A. That's fair to say.

23 Q. Now, is it not extremely difficult to
24 monitor compliance with a guideline due to the very
25 general nature of the beast?

1 A. I don't have any particular anxiety
2 about monitoring guidelines. Yes, it's perhaps a
3 little more nebulous because a standard, it would be
4 sort of mandatory, you shall this, and when you measure
5 that, you either did or you didn't. A guideline allows
6 a little more room for rationale and judgment at the
7 ground level.

8 I don't have any trouble with that. I
9 think it's quite possible to judge those matters.
10 There can be honest disagreement but, you know, I think
11 that comes with the territory.

12 Q. I'm not in any way inferring or
13 suggesting to you that there isn't need for judgment
14 and flexibility and that type discretion in the
15 planning and implementation.

16 What I'm saying specifically though is,
17 if a third party were to evaluate whether -- or attempt
18 to evaluate whether or not a guideline had been
19 complied with, particularly if the guideline contained
20 a series of optional treatments or whatever, the only
21 way to assure compliance would be, first of all, to
22 find out all the judgment and rationale that went into
23 making that decision and then deciding whether or not
24 that was appropriate using some measure as yet to be
25 determined. So it's a very difficult thing to define

1 compliance in a strict way?

2 A. Well, it's more difficult, but I
3 think it's done on a routine basis and probably not as
4 impossible as it might sound on the surface.

5 Q. In your oral evidence you made
6 reference to a continuum of public involvement in
7 planning. I believe on the left-hand side you had
8 stewardship, sustainability and on the right-hand side
9 you had social and political objectives of the public;
10 correct?

11 A. Yes.

12 Q. As I understood your message it was
13 that the public should be charged with, what I will
14 say, articulating what they wish from the forest and
15 the professional forest manager would be responsible
16 for deciding the most efficient and effective means of
17 what was required -- what was desired?

18 A. Yes.

19 Q. You then went on to say that in some
20 cases, such as in the specification of clearcut size,
21 that the statutes may have gone too far and
22 specifically had specified not solely what was to be
23 produced but also how to produce it.

24 A. I think the system in our country,
25 perhaps in Canada as well, the public or the political

1 decision-makers, leaders, will reach over on the
2 professional side. Part of that is due to frustration
3 in getting the agency to do things that they want them
4 to do and, you know, I wouldn't want to see forestry
5 practiced totally from that angle.

6 Q. From which angle?

7 A. From the angle of
8 socially-politically establishing exactly how to do
9 something, I much prefer it to be charged with
10 accomplishing an objective, a purpose or a what, but I
11 am not greatly offended either if somebody says there
12 will be no more clearcutting. I mean, that just is
13 another constraint as a manager I have and I have got
14 to figure out how to do that.

15 So I think perhaps the less detailed how
16 to do in legislation the better, providing we can get
17 what we want done, but if I were the public, having
18 fought the clearcut issue in the United States as long
19 as I have as the public, I would probably finally in
20 frustration say: You will limit your clearcuts to this
21 size, or you will eliminate them or some absolute.

22 And the net result is I get what I want.
23 I may give up something else because there's some
24 benefits had I given the agency a little more latitude,
25 I would receive, but it was not worth the risk. That

1 is kind of the philosophical background of a standard
2 like that.

3 Q. Okay. And that was my next question.
4 You had been asked if you supported clearcut size
5 limits and you indicated you were in favour of that,
6 and when you responded you said that the advantage
7 outweighed the disadvantages.

8 A. Yes.

9 Q. You've indicated some of the
10 advantages of the clearcut size. I would like to have
11 a comprehensive list of what you feel are the
12 advantages of setting a clearcut size limit?

13 A. A comprehensive list sort of suggests
14 to me I ought to go home tonight and prepare it for
15 you. I'm willing to do that, or do you just want my
16 off the top of the head --

17 Q. Well, we're almost at lunch. I hate
18 to destroy your lunch hour, but --

19 A. Think about it at lunch.

20 Q. But perhaps you might just give it
21 some thought over lunch and we'll come back to it after
22 lunch.

23 A. Now, make sure I understand. You
24 want the advantages of a clearcut limitation.

25 Q. I was going to ask you obviously for

1 the disadvantages also, so I would like both, please.

2 A. Okay.

3 MADAM CHAIR: And from what perspective,
4 Mr. Hanna, from the perspective of the U.S. Forest
5 Service?

6 MR. HANNA: From the perspective of Mr.
7 Smith, as a professional forest manager with his
8 experience.

9 MADAM CHAIR: As a forest manager.

10 THE WITNESS: It will be within the
11 context of the areas I'm familiar with. I think the
12 principles may apply other places, but the absolute
13 numbers might differ.

14 MR. HANNA: Yes.

15 Q. You made reference to the fact that
16 there is provision for deviations from the statutory
17 limits in terms of clearcut. What are those?

18 A. They're -- I think in the regulations
19 these general criteria are listed. I can't just roll
20 them off the top of my head, but it would have to do
21 with both physical and biological reasons why clearcut
22 maybe ought to exceed 60 acres in the Douglas-fir
23 region for example.

24 Leaving a remnant of forest that would
25 normally be harvested but because it exceeds the 60

1 acres you leave a little remnant of five acres, forest
2 type change for some reason.

3 MADAM CHAIR: Excuse me, Mr. Hanna. Were
4 you here for Mr. Smith's evidence about the fact that
5 clearcuts, even ones that deviate -- he doesn't know of
6 any beyond 120 acres, that the average clearcut
7 deviation size is under 60 acres and that the average
8 clearcut size is under 30 acres?

9 THE WITNESS: So, I think -- yeah, that's
10 a good background statement. It happens not uncommonly
11 but not very often and not very, very much of a
12 deviation, and usually for a reason that almost
13 everybody can agree to.

14 More frequently the excess of 60 acres
15 involves placing a clearcut adjacent to an older
16 cutting unit that has not quite disposed of its label
17 as a clearcut, but it's obviously established, there is
18 good growing stock on it, and you end up with two
19 35-acre clearcuts, one old one and one new one.

20 MADAM CHAIR: Mr. Smith, sorry to
21 interrupt you. We have had this discussion before at
22 this hearing about what an old clearcut is versus what
23 a new forest is.

24 We have heard old clearcuts being
25 referred to as 50 years old, well at some point it

1 becomes a forest rather than a clearcut. What have you
2 done about that in the United States?

3 THE WITNESS: The Forest Service does
4 have a definition of this.

5 MADAM CHAIR: As opposed to free to grow.
6 In Ontario we have a free to grow 7 to 12 years or
7 whatever.

8 THE WITNESS: Yes.

9 MADAM CHAIR: Now, would you consider
10 that to be a clearcut after free to grow or no?

11 THE WITNESS: I'll have to look that up
12 in my vast array of things. I think there is a
13 distinction between free to grow, which really relates
14 to is the area reforested, and where it loses its
15 identity as a clearcut because it is of such size and
16 structure that it no longer is that, you know, basic
17 successional stage, you know, it's grown into a forest
18 rather than a plantation.

19 MADAM CHAIR: Mm-hmm.

20 THE WITNESS: Maybe that's all you need.

21 MADAM CHAIR: That's what we're
22 interested in.

23 THE WITNESS: Yeah, okay. It's
24 distinguished between really having trees growing and
25 safely growing, don't have to worry about it, versus

1 the forest structure itself has now taken on a life of
2 its own and it's not merely a plantation of little
3 trees.

4 MADAM CHAIR: Yes, and the label clearcut
5 is no longer appropriate?

6 THE WITNESS: That's right.

7 MR. HANNA: Q. I would like to turn to
8 the subject of interdisciplinary plans versus
9 functional plans, and I think you spend some time
10 talking about that matter.

11 I believe you suggested that in Ontario
12 the timber management planning process produces a
13 functional plan as opposed to what you've called an
14 interdisciplinary plan in your view?

15 A. The plans that I've reviewed more
16 resemble what I would call a functional plan in the
17 U.S.

18 Q. Now, I believe you indicated that
19 there is a need for functional plans in the U.S. Forest
20 Service approach but that they are subservient to the
21 interdisciplinary plan?

22 A. Yes. As a matter of fact functional
23 planning is relegated almost to a schedule now; in
24 other words, the Forest Service feels that this forest
25 plan has replaced the collection of functional plans,

1 such as a recreation plan, wildlife habitat plan,
2 timber plan, et cetera, and really you're looking more
3 at the five-year action plan which schedules and kind
4 of locates activities rather than a resource plan per
5 se.

6 Q. That's a new twist on it for me. The
7 first time I've heard the five-year action plan.
8 What is a five-year action plan?

9 A. Okay, we discussed this yesterday.

10 Q. I'm sorry.

11 A. You take this forest plan and in
12 order to implement the outputs and the budget then you
13 prepare a schedule. It's more a display and schedule
14 of projects that will fulfill this plan, and that is
15 what I would call the five-year action plan; in fact,
16 that is what we call it, a five-year timber sale action
17 plan.

18 Q. So this is the five-year queue that
19 we were talking about before?

20 A. Yes.

21 Q. I see. So, the functional plans
22 you're talking about now would basically be the
23 amalgamation of the project level plans that were in
24 the queue?

25 A. Yes.

1 Q. And a project level plan is
2 contained -- we have already discussed that, that is
3 fine, we don't need to do that.

4 Now, there may be some parties that may
5 argue at the end of this hearing that the district land
6 use guidelines prepared in Ontario are the
7 interdisciplinary plans that you refer to as being
8 essential and that there are --

9 MADAM CHAIR: Excuse me. Do you mean the
10 forest plan, Mr. Hanna?

11 MR. HANNA: The interdisciplinary plan I
12 interpreted to be the forest plan, Madam Chair.

13 Q. Is that correct?

14 A. Yes.

15 Q. Yes. That the district land use
16 guidelines would be the interdisciplinary plan or the
17 forest plan that you've made reference to, and that
18 there's a range of functional plans under those, one of
19 the functional plans being timber management plans.

20 I want to know if you've considered that
21 in arriving at your comments?

22 A. I've looked at some of the district
23 land use guidelines and I've looked at the timber plan.
24 My overall impression still is that the management of
25 the forests here are timber driven, that there's -- it

1 is the dominant featured use with exceptions,
2 exceptions being special values that surfaced and the
3 areas of concern and so forth.

4 So, you know, I'm certainly not an expert
5 in Ontario land planning, but in my casual review of
6 the various plans, I'm left with that impression.

7 Q. An issue I'm going to come back to
8 but is relative to what we're talking about here and,
9 that is, the level of spacial disaggregation that's
10 contained in the planning document.

11 In order for the forest management plan
12 to be an integrated plan in the way that you've
13 described it, would it be fair to say that the plan
14 must at least operate at the level that stands or
15 aggregates of stands can be reflected in terms of the
16 forest structure?

17 A. I think I agree with that, if I
18 understand what you're saying. It's sort of a
19 landscape approach to planning.

20 Q. I'll put this to you: When the
21 district land use plans were prepared there was no
22 specification of where or when or in what format or
23 what size cutting, silviculture, any of the other
24 timber management activities we talked about were
25 specified, it was simply timber management will occur

1 on this piece of land.

2 A. All right.

3 Q. Would you see that as a major barrier
4 to achieving the integrated planning approach that you
5 are advocating?

6 A. Yes, because I think that level of
7 specificity would probably occur in the timber plan
8 itself and I'm gaining the impression that it was
9 timber dominated and only as kind of an exception were
10 other resource values, you know, integrated into that.

11 In fact, even to the extent where was
12 areas of concern were the ones where we had focused on
13 other resource values and not the rest of the area
14 which represented the majority of the area.

15 MR. HANNA: Madam Chair, I'm about to
16 move to another subject.

17 MADAM CHAIR: Good time for lunch. Thank
18 you, Mr. Hanna. How are you doing with your
19 cross-examination?

20 MR. HANNA: Can I respond to that when we
21 come back after lunch, Madam Chair?

22 MADAM CHAIR: I just wondered if another
23 party should be ready in the event that you finish
24 today.

25 MR. HANNA: I provided some assurance to

1 Mr. Cosman that I would probably be the remainder of
2 the day and I think that's --

3 MR. COSMAN: Madam Chair, I can help I
4 think a little with your concern about planning. First
5 of all, a request you have asked for certain
6 information from the witness with respect to stumpage.
7 I'm hopeful that that information could be obtained in
8 order that I might take a look at it before I
9 cross-examine.

10 But also to tell you, in virtue of the
11 cross-examination that has taken place today, if I were
12 to start first thing tomorrow, I will finish tomorrow,
13 which means next week we will finish well within our
14 limit.

15 MS. SWENARCHUK: Of course Mr. Freidin
16 will not necessarily take all week too.

17 MR. FREIDIN: No, I'm sure I won't have
18 all of next week, even if I wanted it.

19 MADAM CHAIR: All right. We will be back
20 after the lunch break.

21 THE WITNESS: Thank you.

22 ---Luncheon recess at 12:05 p.m.

23 ---On resuming at 1:35 p.m.

24 MADAM CHAIR: Please be seated.

25 MR. HANNA: Q. Mr. Smith, I understand

1 you didn't have a very relaxing lunch but it was a
2 productive lunch. Perhaps we could deal with the
3 matters that were outstanding. And I think perhaps the
4 first thing -- stumpage fees might be the first thing
5 to do.

6 A. Stumpage fees, all right.

7 Q. Yes.

8 A. Madam Chair, there was one other
9 loose end when we left concerning free to grow and when
10 an opening is no longer an opening.

11 There is some direction, some definition
12 of that in the regional guide which is 1755 and I think
13 I was fairly accurate in the way I described it,
14 page -- Chapter 3, page 8 -- 3-8, at the bottom of that
15 page is standard and guideline 2-3 and it talks about
16 when an opening is no longer an opening.

17 From the standpoint of just timber
18 regeneration it's pretty much as you described, four
19 and a half feet high and free to grow, but when other
20 resource considerations are added, then it varies
21 depending on the requirement of those particular
22 values.

23 Okay. The issue was the revenue
24 generated by national forest timber stumpage. I got a
25 fairly detailed break out to this, this came from our

1 national office in Washington, D.C., and we can head
2 the whole thing timber revenues, and there are --

3 MS. SWENARCHUK: Maybe this should be an
4 exhibit, Madam Chair.

5 MADAM CHAIR: Mr. Smith, could you put
6 Exhibit 1769 on that. Thank you.

7 ---EXHIBIT NO. 1769: Hand-drawn schematic of Timber
8 Revenues.

9 THE WITNESS: The revenues are divided
10 into four kinds of categories, timber sales, purchaser
11 roads, associated charges - as near as I can determine
12 that's those fees that are collected as deposits to
13 accomplish certain kinds of work - and then interest
14 and penalties, these are associated with the contracts
15 themselves.

16 These categories are then divided into
17 two of the regions, the Pacific Southwest region, which
18 I referred to, the Pacific Northwest region, which this
19 forest plan is a part of, and then the entire Forest
20 Service or the national forest system.

21 I guess the bottom line of it is, I was
22 fairly close when I said a quarter of a billion dollars
23 for the Pacific Southwest region, it came out
24 246.9-million.

25 The total for the entire national forest

1 system however is 1,518,000,515 -- excuse me,
2 1,518,515,000 and then it's broken down into -- you
3 know, the primary part of that is timber sales,
4 receipts on stumpage. Purchaser roads is a part of
5 that cost, cost of doing business but it comes out of
6 receipts, and the reforestation, erosion control, et
7 cetera, and the penalties.

8 The other question asked - I believe Mr.
9 Martel asked this - what was the value of all stumpage
10 in the United States irrespective of jurisdiction, and
11 the closest thing I could come out to that was the
12 value of roundwood timber delivered to a site.
13 Delivered to a site for national forest means delivered
14 to a manufacturing plant. With the private sector it
15 sometimes means delivered to the roadside, and that
16 number is \$12,224-million.

17 So, you know, the net effect is only part
18 of the transportation is reflected in this number.

19 MR. FREIDIN: This number, referring to
20 the 12-billion number?

21 THE WITNESS: Yes. Some of that is
22 simply delivered to roadside, some of it is delivered
23 to the manufacturing plant.

24 MR. HANNA: Q. Mr. Smith, if the
25 transportation was included in there, that would tend

1 to deflate that number because the cost would be taken
2 out?

3 A. Yes. I think it would be a fairly
4 small amount relative to the total.

5 MR. MARTEL: So you get about anywhere
6 from half, depending on whether your figure yesterday
7 was 2 or 3-billion, from the forest industry -- no,
8 pardon me, the cost of the Forest Service and their
9 budget was between 2 and \$3-billion.

10 THE WITNESS: Yes.

11 MR. MARTEL: And from stumpage you're
12 getting anywhere from a half, depending on where the 2
13 or 3-billion is. Well, let's say, at least 50 per
14 cent?

15 THE WITNESS: The 1990-91 budget, I
16 believe, is 2.3-billion for the Forest Service, that
17 includes all of the expenditures. This is only the
18 timber revenues.

19 There are other revenues generated on the
20 national forest in the form of oh, commercial
21 recreation, there are grazing fees, there are oil and
22 gas minerals, however, timber receipts are by far the
23 largest you see.

24 MR. MARTEL: Do you nearly pay for the
25 Forest Service on the total revenues received; in other

1 words, the budget that Forest Service receives is
2 nearly paid for by the revenues from the resources, all
3 resources?

4 THE WITNESS: It approaches that, but the
5 Congress does not really consider that directly.
6 Congress appropriates the money as a separate matter
7 annually.

8 With the exception of those fees we
9 collect to restore the timber sale areas, Congress does
10 allow us to have a kind of direct relationship there,
11 otherwise Congress somewhat ignores this and goes ahead
12 and funds the Forest Service based on programs and
13 needs.

14 MR. MARTEL: And it goes to some sort of
15 consolidated revenue fund and then it's just fed back?

16 THE WITNESS: It goes to the general
17 Treasury and it loses it's identity immediately.

18 MR. MARTEL: Yes. And it comes back to
19 fund the programs somehow?

20 THE WITNESS: Through the appropriations
21 process.

22 MR. MARTEL: Yes.

23 THE WITNESS: But, you know, you can't
24 tell whether you're getting income tax dollars or
25 national forest receipt dollars or whatever.

1 MR. MARTEL: No.

2 MR. HANNA: Q. Mr. Smith, when you say
3 roundwood timber, is that simply sawlogs or does that
4 include sawlogs and pulpwood?

5 A. It's my understanding that includes
6 sawlogs and pulpwood, all roundwood materials.

7 Q. The purchaser roads, is that a
8 component of the roads that are paid for by the
9 contractor that are then dedicated to the Forest
10 Service and that's the value of them?

11 A. Yes. Those are roads that are a
12 requirement of the contract, those are not appropriated
13 monies from the Congress.

14 Q. Just on that matter - I didn't
15 discuss it this morning, perhaps I should have - in the
16 circumstance where the contractor accepts as part of
17 the contract building the roads, does the contractor
18 accept a certain liability?

19 In other words, does the contract say a
20 hundred thousand dollars is taken off of your price or
21 the revenue, you have to have a sale price you have to
22 give us in order to deal with the roads that you are
23 going to build; or is it after the fact, in other
24 words, he builds a road and then submits, basically, an
25 invoice to the Forest Service and on that basis is

1 paid?

2 A. The timber purchaser under the
3 contract pays so much usually per thousand board feet
4 in advance of cutting. The amount that he pays is his
5 bid amount, whatever he bids in oral auction, but it
6 will always include this residual stumpage value of a
7 hundred dollars, plus a hundred dollars here, plus 150
8 roads.

9 So he pays for it, in effect, as he goes
10 unless he builds these roads himself as a matter of
11 contract, sometimes there is the option. If he
12 deposits this money, it's deposited as he cuts, and the
13 Forest Service then contracts it to a third party.

14 If he elects, or the contract provides
15 that he build the roads himself, then the Forest
16 Service and the purchaser agree on a schedule of road
17 construction so that the timber isn't all cut out and
18 the roads are going to be built. These roads obviously
19 are needed for the access to the timber, so you can't
20 do that totally, but sometimes it's easy to cut more
21 timber than its proportionate share of the road value,
22 so the forester watches that very carefully and there
23 is an agreed to schedule, how much road has to be built
24 before so much timber comes out.

25 Q. But my question was one more of cost

1 control, in other words, how does the Forest Service
2 control the cost or the allowance that is given to the
3 contractor in terms of the roads built relative to the
4 actual costs he's incurred?

5 A. That's called profit and risk and the
6 purchaser, the contractor assumes the risk. Now, if
7 the Forest Service made just an unreasonable error,
8 misrepresented the road, instead of providing a set of
9 plans and profiles and so forth that represented the
10 situation that was an error, then the Forest Service
11 would be accountable for that and would have to adjust
12 the allowance, but if the purchaser just found that it
13 cost more to build that road than he had anticipated
14 it's kind of like buyer beware. That is why there's a
15 profit and risk factor.

16 If he's efficient, lucky and all those
17 things, he may make more money; if he's not, he may
18 make less money. The government doesn't assume that
19 risk in this case.

20 Q. So the road allowance is a fixed
21 amount that is contained in the contract regardless of
22 whether he builds the road or whether a third party
23 builds the road?

24 A. That's right, and with some
25 exceptions. Sometimes the contract will provide for so

1 much allowance for quantities, quantities of fill and
2 cut, for example, where they can't be accurately
3 predicted or it's not reasonable to predict them within
4 a range.

5 Q. Unit charges?

6 A. Unit charges. It's my experience
7 that that is a little bit unusual. Engineering
8 technology is such now that we can tie it down pretty
9 well.

10 Q. And one last question while we are on
11 that that I didn't deal with this morning and, that is,
12 does the Forest Service maintain a reserved bid in
13 these auctions; in other words, is there a minimum
14 level at which they will auction the wood?

15 A. We have what we call a minimum
16 acceptable bid, and when a sale is advertised with all
17 the conditions it's accompanied by a minimum acceptable
18 bid, which is the sum of residual, the required
19 deposits, and if a deposit is required for the road,
20 it's a road deposit. Nothing else is accepted, or
21 anything less than that is not acceptable.

22 Q. All right. One other - I can't
23 believe you did this all over lunch - but the other
24 thing you said you were going to do over lunch was the
25 advantages and disadvantages of clearcuts. Did you get

1 a chance to do that?

2 A. Yes, I did. This will be less than
3 comprehensive probably.

4 MS. SWENARCHUK: Clearcut size limit.

5 MR. HANNA: Yes, sorry.

6 THE WITNESS: These are the advantages
7 and disadvantages of having a clearcut size limit.

8 And let me put that in context for you.
9 We're looking in the Forest Service of clearcut limits
10 of, depending on the forest type, of 40 acres, 60
11 acres, or a hundred acres. So I'm talking about, at
12 the outside, anything in excess of a hundred acres and
13 that is confined to Alaska. In Alaska it's a hundred
14 acres, in the region I'm working in here it's basically
15 60 acres, and in other parts of the country it's 40
16 acres.

17 So the advantages of this, and these are
18 not in any order of priority or value, one is there's
19 less visual impact with the smaller clearcut. The
20 smaller clearcuts tend to favour the processes of the
21 ecosystem, the natural processes of the ecosystem.

22 Smaller clearcuts are more encouragement
23 for the natural processes such as reforestation,
24 natural seeding and replacement. Smaller clearcuts
25 offer less concentrated watershed impacts. Any

1 clearcut impacts the watershed, but the smaller it is
2 the less the impact.

3 There is less microclimate effect. If
4 you can envision a south-facing slope where the soils
5 are thin, you may be on sort of the margin of
6 commercial tree growing capability and as you open that
7 up, the larger it is, the more the effect of that
8 opening in terms of temperatures, soil retention and
9 that kind of thing. So microclimate is affected by
10 clearcuts and the smaller the clearcut the less effect.

11 There's less effect, less negative effect
12 on biodiversity, the whole issue of biodiversity, and I
13 really think that plus visual are the driving forces
14 behind limiting clearcuts on the national forests.

15 There is less opportunity for -- there's
16 less apt to be disastrous mistakes by making things
17 small, and this applies to anything you do in forestry,
18 the more cautious you are, the more conservative you
19 are, the less severe a mistake becomes.

20 The smaller clearcuts tend to break up
21 the residual fuels resulting from timber harvest, that
22 is the debris - we call it slash - the limbs and
23 flammable material that is left on an area and
24 constitutes a fire problem.

25 The cumulative effects of all aspects of

1 timber harvest are less on a smaller area, less
2 wildlife habitat is either destroyed or limited. In
3 our part of the country smaller units tend to be more
4 in balance with wildlife populations.

5 We have observed in very large clearcuts
6 that the industry has had, the timber industry on
7 private lands, that the early successional stages in
8 clearcutting create vast amounts of new wildlife
9 habitat for grazing and browsing animals like deer and
10 elk, and that it peaks and the populations tend to peak
11 and then there's those large units sometimes occupying,
12 you know, very large segments of drainages, as they
13 close in in the later successional stages, then the
14 wildlife populations crash with it, and you have this,
15 you know, very uneven thing with the wildlife.

16 And the last thing, it is not resource
17 oriented particularly, it is the public likes them
18 better, and these lands are owned by the citizens, or
19 the citizen owners of these lands just prefer they have
20 smaller clearcuts. Those are the advantages.

21 Some of the disadvantages have to do with
22 economics. There are economies of scale connected with
23 larger units. There is increased cost in logging,
24 increased cost of access, increased cost in setting for
25 each one of these smaller clearcuts.

1 There is more edge effect per acre
2 harvested and the edges of clearcuts, there's good
3 things and bad things that can be said about them, but
4 some of the bad things is, I suppose windthrow is more
5 likely or could be more likely, expose your forest to
6 insects and diseases and escaped slash fires and that
7 sort of thing tends to multiply. So that can be said
8 to be a disadvantage.

9 If improperly dispersed smaller clearcuts
10 can tend to fragment the ecosystem. None of these
11 things have to be, but they are more likely to happen
12 with smaller units.

13 Smaller clearcuts tends to limit the
14 possibilities of what I'll call landscaping clearcuts
15 for visual purposes. A very small unit, it's difficult
16 to scallop it and shape it such a way it looks like a
17 natural opening from a vista, say, or an airplane. The
18 larger the unit some time, or the flexibility of
19 becoming larger sometimes facilitates landscaping.

20 Perhaps the most serious disadvantage
21 with small units is that they often result in increased
22 roading.

23 MR. COSMAN: Sorry, I didn't hear that.

24 THE WITNESS: Increased roads, mileage
25 and road -- number of roads. My own view is that's

1 probably the most serious thing to overcome with small
2 clearcuts but, again, I think that can also be
3 mitigated.

4 That's what comes to my mind. I'm sure
5 somebody who is more familiar with the details of
6 timber sale layout and harvest and so forth could add
7 to those and maybe would not agree that these are
8 terribly significant one way or another.

9 MR. HANNA: Q. Now, first of all, let me
10 say that by and large my client doesn't dispute the
11 list that you've brought forward, and it isn't my
12 intent to debate whether or not these actually occur or
13 not. The question that I asked you was the advantages
14 of the standard rather than the advantages of small
15 clearcuts.

16 And what I'm going to ask you is: Is it
17 not possible, in fact, is it not done that a large
18 number of the types of advantages and disadvantages
19 that you've described are incorporated in predictive
20 analysis that is undertaken in the planning process
21 that you've described, visual quality being an example,
22 watershed effects, habitat effects, impacts on
23 populations, and threatened and rare, endangered
24 species, those are all factors that are taken into
25 account in the planning process; is that not right?

1 A. Yes.

2 Q. So that if we had a process that
3 explicitly dealt with those things and also was able to
4 capture what you said is the public's wishes in terms
5 of what they want, we may be able to replace the need
6 for a standard, per se, as a prescription that has to
7 be applied lock step across the area of the undertaking
8 with a process that says: Here's the best cutting
9 pattern for that forest, provided you take these things
10 into account?

11 A. I think in theory that's correct, and
12 normally as a resource manager I like to have that
13 flexibility.

14 On the other hand, I don't see these
15 limitations as being a burden. The fact of the matter
16 is on this forest the average size clearcut is under
17 30 acres. So, you know, it's not like we have set a
18 standard that is difficult to stay within, the
19 exceptions are few and far between, exceptions are
20 almost approaching not exceptions because of the
21 definition of opening and so on.

22 So, I understand what you're saying and I
23 agree with you in principle, but I think the standard
24 that has been set here with so much slack remaining
25 that it is no longer a problem.

1 Q. Now, before lunch we were talking
2 about interdisciplinary plans and functional plans and
3 the OFAH Interrogatory No. 4 explored with you how
4 interdisciplinary plans should be implemented to avoid
5 reversion from the multidisciplinary approach.
6 Remember that statement, it comes directly from the
7 statement in your witness statement on page 12,
8 paragraph 1.

9 A. Yes.

10 Q. Now, I think you've told us that
11 there's a core team and a full interdisciplinary team
12 that operates when the forest plan is being prepared
13 and that the implementation of the plan often occurs at
14 the district level, is the responsibility of the
15 district ranger and that he may have a separate core
16 team that actually deals with the implementation of the
17 project. Is that correct?

18 A. Yes.

19 Q. Now, how does the interdisciplinary
20 team at the district level -- what is their role at the
21 project level? I realize this is a separate
22 disciplinary team, but what is their role at that
23 level?

24 A. All right. First of all, there's
25 probably not a designated interdisciplinary team in the

1 formal sense of organization at the district.

2 Interdisciplinary refers to process and approach rather
3 than to organization, particularly at the district
4 level in implementing the forest plan.

5 The forest plan was such a long-term
6 project and a continuing thing that they actually
7 designated a group of people that would constitute a
8 core team and a help team.

9 District rangers organize in different
10 ways. Some district rangers organize by resource
11 function, and that has been the traditional way to
12 organize, so you had a district ranger and he organizes
13 his staff into various categories of work and
14 responsibility.

15 Traditionally that has been on these
16 large resource forests, a timber management group with
17 a timber management assistant and a staff of
18 silviculturalists, technicians, whatever. There might
19 be a district engineer, a civil engineer who then has
20 assistants, technicians and workers and so forth that
21 deal with transportation facilities and other kinds of
22 facilities. There may be a recreation assistant.
23 There is undoubtedly an administrative assistance that
24 deals with budget and personnel and all these kind of
25 matters.

1 Depending on the workload of the ranger
2 district, these are, you know, mixed and matched, the
3 best -- there's also a fire management officer and that
4 sort of thing.

5 On a large timber district this certainly
6 will be one organization by itself; on other districts
7 like in the Rocky Mountains they may combine timber
8 management with watershed and soils and even
9 recreation. The idea is that there is only so much
10 budget and you try to spread it your organization to
11 best facilitate that.

12 Now, with that approach to organization -
13 that's the traditional one and probably one that is
14 still most prevalent in the Forest Service - when a
15 timber sale is to be designed and sold in response to
16 this plan, staff people from timber, staff people from
17 recreation, soils, wildlife, whatever, would cross
18 lines and they would become kind of the planning group
19 for the design which entails analysis and consideration
20 of options and so forth for a timber sale. So it's
21 kind of an ad hoc interdisciplinary team.

22 What I had reference to is that when you
23 have an integrated forest plan when you hand it off to
24 an organization like this there is a tendency for this
25 timber management group to do the work with some advice

1 from time to time from other disciplines, but not
2 functioning as a team that really fully integrate the
3 project design.

4 I think we're still in this mode to a
5 great deal, I mean, it's not easy to break out of it.
6 It doesn't mean we always have a bad timber sale, it
7 just means that you're not really approaching the job
8 in the best possible way and things tend to drop
9 through the cracks.

10 We tend to build a road and do not
11 consider important wildlife habitat, or didn't consider
12 in the future some recreation potential that we should
13 have had access one way or another. It could have all
14 been done when this first project was envisioned and it
15 didn't, so it becomes kind of multi discipline planning
16 and probably could have been done better.

17 Okay. The other way some districts are
18 organizing is that the district ranger, instead of by
19 resource function, organizing by action activity, so
20 that there is a planning group and within the planning
21 group there are timber, recreation other kinds of
22 people.

23 You might have another group that deals
24 with project administration, I guess. I don't like to
25 to the use the word administration, but it's dealing

1 with after the project is planned, actually going out
2 and doing it and overseeing it, regulating it and so
3 forth. So you might call them the operational group,
4 and then you still might have a budgets and
5 administrative group.

6 District rangers organize this way to
7 help facilitate integrated planning at the project
8 level, kind of make the organization force itself to do
9 it, because this became the unit that dealt with plans,
10 they hand off the plan to the operational people and
11 they went out and did it after it was designed.

12 This group then organizationally more
13 resembled an interdisciplinary team because they were
14 dealing with activities. Not only would this group
15 deal timber sales, but it would also deal with the
16 construction of a new campground or a proposed ski area
17 or a wildlife habitat project, improvement project, or
18 a range improvement project.

19 The same kind of people, same people --

20 MR. MARTEL: Can I ask a question then?

21 THE WITNESS: Yes.

22 MR. MARTEL: Who does all the work in a
23 specific field then; in other words, who keeps track of
24 everything in timber?

25 I mean, is it more of a paper -- my

1 perception is that what you're doing is you force
2 people really to sit down together instead of just
3 handing things off for people to look at and then give
4 to someone who drafts a plan. You in essence sit
5 around a table and you you hammer it out before
6 somebody makes a decision based simply on stuff that
7 has been fed to them.

8 Now, what I see here though is, I don't
9 know how you keep track of everything else then. We
10 move from the functioning parties, but in your planning
11 team do people really go back to their respective desk
12 after and still look after the various functions that
13 somebody has to be responsible for; in other words, the
14 data collection and everything that pertains to timber
15 and everything that pertains to recreation.

16 They simply come together and, am I right
17 in this latter part, as a team, more formalized maybe
18 than previously, but still go back to their own desks
19 to do the things they were doing before but it's much
20 more coordinated now in reaching an end goal?

21 THE WITNESS: I think that's a fairly
22 good observation the way it actually works, although
23 these people, their boss is this person.

24 MR. MARTEL: Mm-hmm.

25 THE WITNESS: They're accountable back to

1 this person, you know, twice a year they get a
2 performance rating. The silviculturalist here on this
3 team probably does keep track of the plantation
4 records, and maybe over here the timber sale
5 administrator keeps track of the volume of timber that
6 was actually harvested. So those assignments are made
7 and the recordkeeping and the tracks are, you know,
8 made visible.

9 This organization is in some ways more
10 difficult to run in terms of the way that society
11 expects things to be in nice little corners, but it
12 also makes it easier for the district ranger to insist
13 on integrated planning.

14 MR. MARTEL: It's up front.

15 THE WITNESS: Yeah, it's up front.

16 MR. MARTEL: Where people, if they're
17 argumentative, will continue to argue to get their way?

18 THE WITNESS: Right.

19 MR. MARTEL: We have seen it here.

20 THE WITNESS: I really think it works
21 both ways and the same people can, you know, fit both
22 organizations.

23 MADAM CHAIR: Excuse me, Mr. Smith.

24 Could you remind the Board again with the Willamette
25 plan how many districts were in that planning area?

1 THE WITNESS: The Willamette has seven
2 districts.

3 MADAM CHAIR: It has seven districts.

4 THE WITNESS: Headed by, you know, seven
5 of these kind of people.

6 MADAM CHAIR: And where do the seven
7 district rangers fit into the interdisciplinary
8 planning team for the forest plan?

9 THE WITNESS: They became the part of the
10 line - I say line - the decision-making group with the
11 forest supervisor, to finally kind of make the interim
12 decision before the plan was finally put together and
13 presented to the regional forester.

14 In a sense they were part of the
15 interdisciplinary team but not part of the core group.
16 They aren't full-time people, they're kind of in and
17 out.

18 So, you know, I envision the forest
19 supervisor from time to time bringing the
20 interdisciplinary team together and they would have
21 collected issues and concerns and sit down with the
22 forest supervisor and district ranger and discuss these
23 and get kind of redirected, sort of interim points,
24 sharing information, making interim decisions, say:
25 Well, we're trying to construct this particular

1 alternative, should we lean this way or this way, or
2 what flavour, what shape should it be and there would
3 be some discussion about that, but the district rangers
4 would be involved.

5 MADAM CHAIR: And remind the Board again
6 of the difference between the interdisciplinary team
7 and the core group in developing the forest plan?

8 THE WITNESS: In respect of the forest
9 plan there would be a full-time core group made up, I
10 think I said four to six people, this varies by forest,
11 but there would be a lead planner, somebody who had the
12 skill to facilitate the group process, probably had
13 more or less professional planning skills, also might
14 be a forester or landscape architect.

15 There are certain disciplines that get
16 better educations in our school systems, our
17 universities in planning system, landscape architecture
18 is a good example, they seem to be -- they come to us
19 knowing these principles better than a wildlife
20 biologist, for example, or a forester.

21 So you would have the leader and then,
22 depending on the character of that forest, you would
23 have -- you would pick out some key resource type of
24 people.

25 MADAM CHAIR: And they might come from

1 the regional staff or they might come from the district
2 ranger's staff?

3 THE WITNESS: They are more likely to
4 come from the forest staff.

5 MADAM CHAIR: Being the district
6 ranger's --

7 THE WITNESS: No, the forest supervisor's
8 staff.

9 MADAM CHAIR: The forest supervisor's
10 staff.

11 THE WITNESS: See, the district ranger
12 reports to the forest supervisor and the forest
13 supervisor has a staff of people.

14 MADAM CHAIR: Now, do you call a forest
15 supervisor the regional level or not?

16 THE WITNESS: No. The forest supervisor
17 is the manager at the forest level, the regional
18 forester oversees a group of national forests, usually
19 by state.

20 MADAM CHAIR: So you call that the head
21 office staff?

22 THE WITNESS: Depending on where you
23 are. You know, the district ranger says the head
24 office is the supervisor, the regional forester says
25 the head office is the Washington D.C. office, but it's

1 the next level.

2 Did that answer your question?

3 MADAM CHAIR: Yes. Thank you, Mr. Smith.

4 MR. FREIDIN: Madam Chair, I'm going to
5 come back to these two flip charts. I wonder if they
6 can be made exhibits and we can somehow summarize or
7 just have a title of what in fact they are.

8 MADAM CHAIR: Do you think those charts
9 are going to help you, Mr. Freidin.

10 MR. FREIDIN: They're going to help
11 because I'm going to come back -- yes, they will help.

12 MADAM CHAIR: Hard to believe, but okay,
13 if you want an exhibit.

14 THE WITNESS: I can remember the exhibits
15 without...

16 MR. FREIDIN: Well, leave them on the
17 board and, you know, if it appears I'm going to talk
18 about them, then I think maybe we can save that
19 problem.

20 MADAM CHAIR: Maybe you can do some
21 better charts when it comes to your cross-examination.

22 MR. FREIDIN: I may do a couple myself.

23 MADAM CHAIR: Mr. Hanna?

24 Go ahead, Mr. Hanna.

25 MR. HANNA: Thank you, Madam Chair.

1 MR. MARTEL: Is there really much
2 difference then? When you look at that and you look at
3 what's happening in Ontario, how much difference is
4 there?

5 I mean, I'm not sure that both systems
6 are that far apart. I mean, there's areas that seem to
7 overlap. We have some different titles, but in the
8 final analysis I'm not really sure how far apart we are
9 in the processes that are before us.

10 MADAM CHAIR: Mr. Smith, are you familiar
11 enough with what's proposed for the timber management
12 planning structure in Ontario to comment on that?

13 THE WITNESS: I really don't consider
14 myself able to comment on your organization. I have
15 looked at organizations around Europe and other parts
16 of Canada, and I agree, I think what you say is true,
17 there's basically not a whole lot of difference in the
18 way people organize to get the job done.

19 There are nuances here, but basically the
20 same thing is there with different names, perhaps
21 different levels; you're dealing with a province here,
22 and maybe one less level, I don't know.

23 The size of some of the units are
24 different, the intensity of management may be
25 different, but I suspect that the organization is not

1 that much different.

2 MR. HANNA: Q. Mr. Smith, a concern that
3 has been voiced at the hearing in the past has been the
4 need for continuity in terms of the individual that
5 generates the plan, or some of the individuals that
6 generate the plan have some continuity in terms of its
7 actual implementation.

8 And from what you've described to me I
9 see that there's potential for some discontinuity and
10 I'm wondering how do you come to grips with the fact
11 that you have a core group of say four to six people
12 who spent a long time thinking about the planning
13 aspects of trying to enunciate that as best they can in
14 a plan but, of course, it doesn't have all of their
15 thoughts in it.

16 How do you maintain that continuity, and
17 I think you're faced with the exact same thing with the
18 activity organization type of structure you've just
19 described for the district ranger's office. We've got
20 planning staff that maybe interdisciplinary, but they
21 aren't involved in the operation and often there are
22 still decisions that are made in the field as I'm sure
23 you're aware that reflect back to the plan. How do you
24 put all that together?

25 A. Well, it's certainly fair to say that

1 there's continuity problems, but if you take this
2 Willamette plan and give it to another forest
3 supervisor in another region, there would be immediate
4 understanding and relationship, it's not like it would
5 be going to a foreign country. So there's a lot of
6 consistency and even uniformity in the Forest Service
7 from region to region, forest to forest, in the way
8 these things are handled.

9 I don't think that is nearly as much of a
10 problem as you might think. I think there's more of a
11 problem in the continuity and tenure of certain
12 resource specialists in implementing something like
13 this and in being able to interpret resource response.

14 I think -- for example, I think it's more
15 important to have a silviculturalist who carries
16 continuity over a period of time, or an ecologist, even
17 a wildlife biologist, I think those specialists, their
18 performance is tied to their familiarity and tenure and
19 experience to the land resource.

20 I don't think that is so much true of the
21 district ranger or program managers, I think they're
22 operating at different levels where that intimate
23 knowledge is not as important because this basically is
24 a compilation of lots of integration of all those kinds
25 of thoughts and it communicates in a language that

1 everybody understands universally.

2 So I would be more worried about - I
3 think we need reform in this respect - with ecologists,
4 biologists and silviculturalists. I would -- I've
5 advocated a long time that the Forest Service ought to
6 recognize those people in kind of a hierarchy of
7 competence beginning as an apprentice and working up to
8 a journeyman level and then a master, and it wouldn't
9 bother me at all, for example, to have the district
10 silviculturalist of equal grade or even greater
11 gradewise than the district ranger and there's
12 beginning to be some recognition of this in the Forest
13 Service.

14 Q. So to capsule what you've said in
15 terms of the continuity problem, you see the primary
16 way to overcome that is to ensure you've got a
17 consistent process that's uniformly applied?

18 A. Yes.

19 MR. MARTEL: It seems to me what we've Oh
20 heard at this hearing is the person who should be most
21 most conversant with the land is the forester who's
22 making the decisions. I think we had a number of
23 people who felt that moving the forester, took a
24 forester a long time to get to know what was on the
25 land and since he makes or has made a lot of decisions

1 up to this time that it was really important to upgrade
2 the forester because he's in charge of the land. And I
3 would appreciate your comments on that.

4 THE WITNESS: Well, I think I'm probably
5 coming from a different context. The Forest Service is
6 full of foresters, we're almost all foresters. I'm a
7 forester, I became a regional forester. We have a
8 history of -- you know, basically foresters did
9 everything. If you weren't a forester you could not be
10 in key positions. So we're starting from a playing
11 field where foresters are already basically in a
12 position to influence everything we do.

13 We're more concerned about ecological
14 processes now, responses of land, measuring
15 capabilities of land. That's not to say foresters
16 don't do that, but they don't have a corner on that or
17 exclusive right on that.

18 We're finding -- we're demanding so much
19 out of our lands now that we need people who are good
20 ecologists and good, you know, wildlife biologists that
21 understand the interrelationships and processes in a
22 much more scientific detail than normally U.S. people
23 get in a forestry education.

24 A forester is more of a generalist and
25 there's certainly a role and I think from the

1 standpoint of overseeing broad programs that is an
2 excellent academic background, but to monitor and
3 measure the detailed scientific processes, I think you
4 need somebody with a little different scientific base.

5 MR. HANNA: Mr. Martel, I was going to
6 ask Mr. Smith and I wasn't, but I think I will now,
7 dealing with your question.

8 Dr. Baskerville came forward and I
9 believe he talked about the need to maintain continuity
10 in foresters, and I think he actually made a proposal
11 somewhat similar I think to what Mr. Smith made in
12 terms of providing the ability to maintain career
13 position and yet stay in the same basic position within
14 the system.

15 And I don't know of any evidence that
16 we've heard at this hearing saying that that isn't an
17 appropriate thing for other specialists involved in
18 forestry management planning.

19 I can tell you that my client certainly
20 supports the need to have specialists who are familiar
21 with the land. So I just wanted to make sure that
22 there wasn't any misunderstanding there.

23 MR. FREIDIN: For the record, I think I
24 can agree with the characterization of the evidence as
25 I remember it.

1 MR. MARTEL: Yes, but I think when we had
2 Mr. Marek here and some other people, certainly there
3 was certainly an emphasis placed on the forester being
4 key to the process because he's the person that was
5 more familiar or most familiar with the land and that
6 we shouldn't be changing them nearly as readily and
7 upgrade the whole idea of the forester since he is
8 always the one that's going to sign the plan, usually
9 he's the -- I mean, we've heard that over and over
10 again. Somebody's got to be outrightly responsible, in
11 most cases it's the forester, and he's got - now, maybe
12 I'm wrong - but I certainly thought Industry was
13 pushing that the forester had to be recognized much
14 more significantly because ultimately they're primarily
15 the people who finalize the timber management plan and
16 they're held responsible.

17 MR. HANNA: Mr. Martel, perhaps from my
18 position on this that, as I understand what's been
19 said, and certainly our position is, that there is need
20 for specialists in terms of the types of things Mr.
21 Smith is describing with respect to
22 silviculturalists --

23 MR. MARTEL: I'm not excluding
24 specialists, Mr. Hanna.

25 MR. HANNA: But I think --

1 MR. MARTEL: I agree with you totally,
2 but I'm not excluding them.

3 MR. HANNA: But I think the point is that
4 in the Ontario system we don't have a district ranger
5 per se that's a district manager or forest supervisor
6 or someone like that, but the specialists that we're
7 talking about is the unit forester, and that is
8 certainly my interpretation in terms of, we don't have
9 in our forest management unit a silviculturalist, a
10 timber sales specialist, that is handled by one expert
11 who's a specialist dealing with a multitude of those
12 disciplines, but he's the man who's on the ground and
13 responsible for that, or she's the woman on the ground
14 responsible for that, likewise the ecological side.

15 MS. SWENARCHUK: That's not my
16 understanding of the evidence. That the unit forester
17 is responsible for all of those things, I think, is not
18 my understanding of the evidence.

19 Certainly he has a key role in devising
20 the plan but that there are other specialists from the
21 wildlife and fisheries side, but also within the timber
22 management side people with specific silvicultural
23 tasks, et cetera. So it's more of a team than one
24 total individual doing that.

25 MR. MARTEL: I'm not suggesting any one

1 individual did it. I think what I heard people say is
2 that somebody was ultimately in charge and, in most
3 instances, and I think there were recommendations when
4 we talked about having to hire more foresters in the
5 province because there weren't sufficient.

6 I'm not suggesting for a moment anyone's
7 excluding anyone else or even suggested that we exclude
8 all of these people and that there be biologists in
9 ever unit. I mean, by memory goes back and we said we
10 didn't have enough biologists and a whole series of
11 people, but ultimately I think the key person, the key
12 player seemed to me that everybody was directing their
13 aim at was the forester because he was responsible in
14 most instances for the plan, and we've had him as the
15 signing off person and maybe I've misread everything,
16 but I don't think so.

17 MADAM CHAIR: We don't want to confuse,
18 Mr. Smith. I think what Mr. Martel is getting at is
19 that there is a proposal that in fact the author of a
20 timber management plan in Ontario would be a registered
21 professional forester.

22 With respect to the district manager, I
23 don't think there's any law that requires that person
24 to be a forester, and with respect to a specialist
25 coming into the public service at the Ministry of

1 Natural Resources, there are people with many different
2 kinds of background, but I think the Board after three
3 years of evidence is still left with the impression
4 that the key professional discipline involved in
5 managing forests is a forester, and we're trying to
6 assess that impression that we have with what you're
7 saying about opening up forestry and bringing in new
8 kinds of expertise.

9 THE WITNESS: Yes. Thank you.

10 MR. HANNA: Madam Chair, I'm not going to
11 pursue this any further now. I think there's time for
12 argument and there's time for evidence. I'll simply
13 say that that's not the position of my client, that the
14 position my client is that there is a legal requirement
15 in this province for a registered professional forester
16 to sign the plan and we aren't attempting to change
17 that in any way, but we're also by saying that the
18 specialists who are involved with different components
19 of the plan also have to sign the plan and also have to
20 be responsible for them.

21 MADAM CHAIR: Thank you, Mr. Hanna.

22 MR. HANNA: Q. Back to interrogatory No.
23 4, Mr. Smith, still dealing with this interdisciplinary
24 planning team and the need for application or
25 implementation of that on the ground.

1 Interrogatory 4(3) asked how -- or 4(2)
2 asked how it should be implemented, and then 4(3) asked
3 where it's dealt with in Forest's for Tomorrow's terms
4 and conditions, and the response was: See FFT
5 proposals for a changed planning process and changed
6 planning team.

7 Now, can you tell me the specific
8 proposals there that address your concern in terms of
9 ensuring that the implementation of the plan is
10 interdisciplinary and it carries through the gist of
11 your evidence?

12 MS. SWENARCHUK: Madam Chair, this is
13 another response which was provided by Forests for
14 Tomorrow rather than by Mr. Smith. We did not require
15 that he familiarize himself totally with Forests for
16 Tomorrow's terms and conditions.

17 To provide further numbers for Mr. Hanna,
18 Forests for Tomorrow's planning team proposal is
19 condition 1 and, as you've already seen, the proposal
20 with respect to the changed planning process is
21 condition 92.

22 Mr. Smith has not been asked by Forests
23 for Tomorrow to specifically advise us on a provision
24 such as Mr. Hanna was inquiring about in this
25 interrogatory.

1 MR. HANNA: Q. Mr. Smith, have you
2 reviewed term and condition 1 -- I believe it's 1(i).
3 No, it's actually all of 1. Have you reviewed that
4 term and condition?

5 MR. FREIDIN: Whose terms and conditions?

6 MR. HANNA: Forest for Tomorrow, Exhibit
7 1610.

8 THE WITNESS: That is not one of the
9 conditions I really focused on, to be honest with you.
10 I probably read it, I made no notes to myself on that
11 one. I certainly could look at it.

12 MR. HANNA: Q. So at this time you would
13 not be able to say whether or not this addresses your
14 concern about ensuring that the interdisciplinary
15 approach ends up being applied at the implementation
16 level?

17 A. I would have to read it. Just
18 looking at the headings here it talks about planning
19 teams, and I don't even know if that is the
20 implementation level or planning level or what. I
21 would be happy to do that.

22 Q. You time these close to breaks and,
23 unfortunately, that's a bad thing to do because I will
24 ask you to look at that and we can come back to that
25 after the break.

1 MS. SWENARCHUK: Can I clarify something
2 here, and that is - and this has been said I think
3 numerous times before as well - that Forests for
4 Tomorrow's terms and conditions really have two
5 elements to their structure, one is the element of
6 changes that we are proposing to be implemented to the
7 current MNR planning process so as to re-orient that
8 process, and then the other element of the terms and
9 conditions has to do with the move over a time period
10 after that towards a new planning process.

11 It might well be that if the Ministry
12 were to move towards that new planning process, in
13 support of which Mr. Smith's testimony has been
14 provided, that the interdisciplinary planning team that
15 Forests for Tomorrow has described in condition No. 1
16 might change.

17 So I think it's important to distinguish,
18 that there are two different possible approaches to
19 planning in the terms and conditions and that there's
20 this provision for a transition period, and what's
21 provided for now in the first set of terms and
22 conditions might well change if that process were
23 adopted.

24 MR. HANNA: The second part of my
25 question to you, Mr. Smith, was to look at term and

1 condition 92, which I believe is what Ms. Swenarchuk
2 was just referring to, and see if it's dealt with in
3 there.

4 MADAM CHAIR: Is that clear to you, Mr.
5 Smith? I think what Ms. Swenarchuk has said is that
6 this first term and condition might apply for five
7 years until possibly the Ministry decides it wants to
8 change its planning process along some other lines, and
9 Ms. Swenarchuk would like to see those changes along
10 the lines that you're looking at.

11 THE WITNESS: I think I understand that
12 now.

13 MADAM CHAIR: Okay.

14 MR. FREIDIN: Just to clarify, I had some
15 confusion about this area as well and I understand from
16 what Ms. Swenarchuk has said then that if in fact the
17 Ministry ended up going towards 92 looking -- is there
18 any direction or suggestions in there about
19 interdisciplinary teams in terms of 92.

20 That's all I can say. I was looking for
21 that and maybe Mr. Hanna was looking for same thing.

22 MADAM CHAIR: Well, I think in 92 we were
23 told a few days ago that it doesn't have that sort of
24 specific detail.

25 MR. FREIDIN: Yes, that's fine.

1 MS. SWENARCHUK: Condition 92(iii) would
2 help.

3 MADAM CHAIR: 92, sub (iii)?

4 MR. FREIDIN: Thank you.

5 MADAM CHAIR: Shall we take our afternoon
6 break now, Mr. Hanna?

7 MR. HANNA: Certainly, Madam Chair.

8 ---Recess at 2:35 p.m.

9 ---On resuming at 3:00 p.m.

10 MADAM CHAIR: Please be seated.

11 MR. HANNA: Q. Mr. Smith, did you have a
12 chance to examine term and condition No. 1?

13 A. Yes, I did.

14 Q. And does it respond in the way that
15 you would like to see in terms of ensuring the
16 interdisciplinary implementation of the
17 interdisciplinary planning approach that you've
18 described?

19 A. I can only respond to that in the
20 context of the U.S. situation.

21 Q. Yes.

22 A. But I find that generally pretty
23 good. I'm not one that feels the professional forester
24 is the only one who can provide supervision. In our
25 instance, the forest supervisor of the national forest

1 provides the overall supervision and he or she selects
2 a person that has planning skills and overall national
3 resource background. I would guess that most team
4 leaders are foresters in the U.S. but not all of them.

5 I would have reservations in the U.S. of
6 placing interest groups directly on the planning team.
7 If we placed a member of the timber industry on one of
8 our planning teams in the U.S. the public would go
9 through a hoop, it's not because they aren't good
10 planners or can't provide good contributions, it's
11 perceived that their interests are -- they have a
12 vested interest, therefore, a conflict of interest.

13 If one were to do that, it seems to me .
14 you would be obliged to give everybody, every interest
15 the opportunity, and then you have developed such a
16 large group that it would be difficult to manage. So I
17 would have some reservations about that.

18 I do think there needs to be a clear,
19 easy accessible, opportunity to participate but not on
20 the team.

21 Q. Perhaps before you go -- are you
22 going to go to 92 now?

23 A. The only other thing I would say, I
24 particularly like the provisions there for principles
25 of ecologically sustainable forestry and integrated

1 resource management. I think those are key features of
2 the planning teams and planning team direction.

3 Q. Before you go to 92, the specific
4 issue that this arose from are the statements you made
5 on page 12 of your witness statement about the need to
6 ensure that the plan is implemented by an
7 interdisciplinary team.

8 Now, I can tell you that there's a matter
9 I'll come to deal with in the planning team, which is
10 one I'm going to deal with in a moment, but I wanted to
11 focus first on that implementation side in terms of
12 what you want to see to ensure that the plan is
13 implemented by an interdisciplinary team and if you can
14 draw my attention to something in term and condition
15 No. 1, the implementation side, that would assist me?

16 A. I didn't view this as a planning team
17 for that aspect of it. I was -- I guess my context for
18 that was more this level, the integrated forest plan
19 rather than the implementation.

20 Q. That was my interpretation too. I'm
21 sure Ms. Swenarchuk will tell us what the appropriate
22 interpretation is at the appropriate time, I think the
23 important thing though is, and what I want to deal
24 with, is what is required to ensure during the
25 implementation that the interdisciplinary approach be

1 advocated, actions be carried out?

2 A. And I'm saying that it has to be more
3 than the functional group that is dealing with that,
4 whether it be a timber sale or a road or wildlife
5 habitat improvement project.

6 It must be -- for example, any wildlife
7 habitat improvement project, it must be more than the
8 wildlife biologist, you know, planning that
9 implementation, it needs to be an interdisciplinary
10 group working around the round table.

11 Q. Okay. Can we go to term and
12 condition 92, please, and was there a particular
13 provision there that you felt addressed specifically
14 your desire to ensure that the plan is implemented by
15 an interdisciplinary team, the types of words that you
16 would want to see dealing with that?

17 A. There are lots of descriptors that I
18 think relate to that. Again, I viewed this as
19 principally direction for developing an integrated
20 forest plan and not an implementation plan, although
21 there is a section on monitoring and evaluation.

22 Q. Mm-hmm.

23 A. So I generally like what I see here,
24 I think it would work, it's good. I, again, have
25 reservations about membership on these teams by

1 interest groups. I think that is somewhat dangerous,
2 unless you have everybody on it, and you never can
3 figure out who needs to be on it, they can always come
4 back and say: Well, I was not represented.

5 In fact, it might not be easy to be
6 represented. If you're conducting this planning
7 activity in a remote area and, you know, that interest
8 doesn't happen to be right there, it's difficult for
9 them to be involved.

10 I would probably add a little bit more on
11 assumptions. In the sequence of forest planning, I
12 didn't detect that there is probably implied. I have
13 no question about the sequence, I think it is a
14 sequence that will work.

15 Q. Perhaps you can just explain to me
16 what you mean by assumptions? We are looking at now
17 Section 92(i)(b)?

18 A. I'm looking at page 73, the top of
19 the page

20 beginning with --

21 Q. Sorry, 73.

22 A. Beginning with (iv):

23 "The sequence of forest management
24 planning
25 process..."

1 Q. Right.

2 A. Normally when you begin a planning
3 process you do your data and assumptions. I just
4 didn't see the word assumption there, I think that
5 would be useful.

6 On (h) of that page, 90 days is probably
7 a good number to receive public comments, but there
8 does need to be provision for more if needed.

9 We found that the public sometimes needs
10 more time to fully understand and to provide input.

11 On page 74 I'm assuming that under (v)(b)
12 and (c) that that covers issues. The U.S. planning
13 effort is driven by issues so that, you know, major
14 issues of conflict and controversy and concern are
15 handled in the plan. You want to make sure you don't
16 develop a plan that somehow fails to resolve issues.

17 From this point on through the rest of
18 the terms and conditions I would like to see the term
19 biological diversity used more frequently among the
20 other values that are listed.

21 Under 74, (h) the long-term probably
22 needs to be defined just so that there's an
23 understanding and a consistency among plans that you're
24 trying to project the effects out to some long-term
25 period like 50 years or a hundred years - and I think

1 I've seen a hundred somewhere in these matters - so
2 that you can describe or predict the condition of the
3 resource.

4 And (i) which talks about describing -
5 that's on page 74, (v)(i), description of quantified
6 goals and objectives, I also would like to see sort of
7 a narrative statement about desired condition or
8 future. Sometimes it's easier to understand. And
9 planners can do that, just taking all those quantified
10 goals and objectives and describe the condition of the
11 forest out 10, 15, a hundred years, or whatever.

12 Page 75 and 76, again, I would like to
13 see the term biodiversity used as part of the listing
14 of values.

15 And then lastly under -- on page 76 under
16 monitoring evaluation, I think there would be value in
17 monitoring for validation of data and assumptions and
18 that may have been implied but I just didn't -- I
19 picked up the compliance and the effects, it wasn't
20 very clear but the validation of assumptions and data
21 was not that clear.

22 So in sum, I think it's pretty good. It
23 certainly could result in good integrated forest plans.

24 Q. Now, I would like to come to this
25 matter about the composition of the planning team.

1 You've indicated the difficulties you see having an
2 interest group on the planning team in the U.S.

3 A. Yes.

4 Q. If the role of the planning team is
5 to undertake essentially or to carry out essentially
6 the technical elements, and I emphasize the term
7 technical elements of the planning process, and that
8 the technical elements involve basically translating
9 the demands of the public and directives from the
10 executive of government into a plan of action on the
11 ground, is not the key prerequisite for participation
12 on the planning team technical expertise?

13 A. I think I agree with that. Technical
14 expertise would include basic planning skills as well,
15 as well as resource, technical expertise and the
16 ability to accumulate and utilize social-political data
17 that would, you know, could be reflected in
18 alternatives and measured and evaluated.

19 Q. Now, I don't believe there's a
20 ten-year system in the national forest system that is
21 comparable to what is called the forest management
22 agreement ten-year process in Ontario; is that correct?

23 A. I'm not familiar with that term.

24 Q. I see. Let's take as a hypothetical
25 that it was inevitable that there was a forest industry

1 representative on the planning team and that there
2 wasn't representation by other interest groups.

3 A. There was not?

4 Q. Was not.

5 A. Okay.

6 Q. And that other interest groups had
7 serious concerns about that and were looking for ways
8 to ensure that their concerns were not -- may not
9 become realized.

10 Would one way to do that be to provide
11 very clear direction to the planning team in terms of
12 what was desired?

13 A. That is one way to approach it.

14 Q. Would another way to be to ensure
15 that the planning team presented a range of
16 alternatives rather than one alternative, so that the
17 system couldn't be unduly biased one way or the other?

18 A. I think that is another thing one
19 could do.

20 Q. If a planning team's primary
21 responsibility was technical and of the nature that
22 I've described, would you agree that the size of the
23 core group must be kept manageable in order for
24 discussions to proceed in a reasonably efficient way?

25 A. I agree with that. I think seven to

1 nine is generally considered a manageable working
2 group. That is not to say you can't have much larger
3 or smaller. That would be ideal.

4 Q. And I think you've made the point
5 throughout your evidence that there are certain key
6 disciplines that must be represented?

7 A. Particularly when you're looking at
8 any, you know, particular area. That is, if I were
9 planning an area in the desert southwest of the U.S. as
10 compared to the Olympic Peninsula and a rain forest I
11 would probably have a different set of disciplines.

12 Q. Now, in the U.S. forest planning
13 system what regulations or limitations are there in
14 terms of the make up of the core group?

15 A. The regulations discuss this but not
16 in any specific way of saying you must have this
17 discipline and this discipline and this discipline. It
18 talks about a mix of disciplines appropriate to the
19 resources being viewed.

20 Q. Who selects the members of the ID
21 team and, in particular, the core group?

22 A. At the forest planning level, the
23 forest supervisor does this.

24 Q. And he selects those from his staff?

25 A. He selects them from his staff or he

1 secures them onto his staff if he doesn't have those
2 positions available. And in some cases where an
3 economist or a sociologist may not be on his staff -
4 and there's not really reason to have a full-time
5 economist - he may contract that with an adjacent, or
6 share it with an adjacent national forest or contract
7 that skill from a university, but he provides that in
8 one form or another.

9 Q. And I take it members of the general
10 public are typically not members of the core team or
11 the full ID team?

12 A. They never are to my knowledge.

13 Q. What process is in place to ensure
14 professional accountability among the ID team members?

15 A. The process is similar to any
16 employee in the Forest Service. A position description
17 accompanies the position that the individual occupies
18 which outlines the requirements of the position, and
19 then a job performance - I'm thinking of the exact term
20 we use - but it's a listing of requirements and
21 performance standards that the employee and his or her
22 supervisor agree to. They sign off on before the
23 period of performance, and then at least twice a year
24 they review performance.

25 Those job requirements, performance

1 requirements are described in, to the extent possible,
2 quantifiable terms, objectives, time lines,
3 responsibilities and so forth.

4 Q. The professional accountability I was
5 referring to is professional accountability with
6 respect to their input to the plan?

7 A. Well, those are still considered a
8 part of the performance requirements. Judging whether
9 those are professional and correct and accurate is not
10 easy. I think the team's supervisor needs to watch
11 that, challenge, check from time to time, validate with
12 other professionals I suppose.

13 I think that becomes fairly visible over
14 a period of time working with a group like that,
15 whether someone is competent or incompetent and whether
16 someone is meeting time frames and contributing to the
17 objectives.

18 You can't do it overnight, there may not
19 be, you know, specific little numbers you can put down,
20 but over a period of time a supervisory employee
21 relationship tends to, you know, draw that out.

22 Q. I'm looking at it not internally
23 within a bureaucracy, I'm looking at it as a member of
24 the public having a concern saying I'm concerned about
25 biodiversity, there's a core member -- a core team

1 member who's been given or assigned the specific
2 responsibility to deal with biodiversity, he makes
3 certain recommendations, those recommendations turn out
4 to be flawed in some way.

5 What recourses are available to the
6 public to make that person accountable?

7 A. If the planning process is an open
8 process and it encourages public participation, there
9 would be the exposure to -- the flaw would be exposed
10 to the public, and presumably somebody would catch it
11 and the Forest Service would be told about it.

12 The forest supervisor then would have the
13 obligation to dispose of that challenge, and I suppose
14 there would be a number of ways to do that, go back to
15 the individual would be one, go to third parties,
16 university or other people within the Forest Service to
17 judge the competence, accurateness -- accuracy of the
18 input.

19 I don't think there's any set course you
20 can take on that, but there are a number of things that
21 one can do.

22 Q. Are the members of the
23 interdisciplinary team required to formally sign off on
24 the final plan?

25 A. No, I really can't answer that. I

1 think the net effect though is that they do because
2 they are listed generally, and I can't even tell you
3 whether they're listed in this plan or not.

4 Q. I can, they are.

5 A. They are. Okay. And I don't know if
6 they signed it, but the performance relationships with
7 the forest supervisor, they might just as well have
8 signed it. I mean, it would carry the same kind of
9 weight.

10 Q. Can you turn to your witness
11 statement, page 31, and in the second paragraph you
12 make reference to biodiversity and to what's termed the
13 ecosystem approach, and I believe that's been a major
14 theme of your evidence and you compare the ecosystem
15 approach to what you've called the resource at a time
16 approach; correct?

17 A. Yes.

18 Q. And you make reference to the need to
19 look and to consider planning at the landscape level?

20 A. Yes.

21 Q. Now, my client agrees with the need
22 to look at the landscape level, there's no difference
23 there. The question is more one of, what does that
24 actually mean in practical planning terms and that is
25 what I'd like to explore with you, okay.

1 A. All right.

2 Q. Now, the specific problem I see, and
3 we have discussed this, the decision has to ultimately
4 be reached as to whether or not to cut, where to cut,
5 what to cut, in what pattern, when, harvesting method,
6 silviculture, the whole suite of activities that are
7 involved in actually carrying out the activity.

8 And the difficulty I have is, where do
9 you start? You say you don't start a resource at a
10 time, you start with the ecosystem approach, and that
11 is the difficulty I have, what that actually means?

12 A. All right. You described all of
13 these in timber related terms and I think that's what
14 we're trying to avoid is a starting point with our
15 planners. Timber is part of the picture, but probably
16 the beginning point is not that.

17 Perhaps the best way to describe the
18 beginning point is the planning team looks at the
19 inventory and the landscape or ecosystem, forest or
20 bioregion, any larger area, and ask themselves: What
21 are the capabilities of these resources for all order
22 of things and, in fact, the Forest Service uses a kind
23 of a scheme of identifying capability areas and the
24 whole forest is arbitrarily divided up into capability
25 areas.

1 Q. Mr. Smith, I'm just going to
2 interrupt you there for a moment if I can. I'm not
3 sure you're addressing the concern I have. I
4 understand the capability areas, I think you've
5 described that in your witness statement and those type
6 of things.

7 The difficulty I have is this: If you
8 want to look at the capability of the land, it's
9 affected by the forest structure on that land base, I
10 think we have already agreed to that in our discussion.

11 A. The forest structure is defined --
12 the vegetation, the timber vegetation you're saying?

13 Q. I wouldn't just limit it to timber,
14 but it's the vegetational suite of the pattern of
15 vegetation on the land base over time.

16 The difficulty I have is trying to
17 integrate the time component. I can sit there and I
18 can look and say: This is what the land base looks
19 like at the present time, but I have to look at that --
20 that isn't an appropriate way to look at it; isn't it,
21 I have to look at what it's going to look like now and
22 in the future; correct?

23 A. With various alternatives.

24 Q. And that is where the difficulty
25 comes. How do I start looking at what the alternatives

1 are unless I start looking at how I might manipulate
2 that forest structure, and that manipulation may be no
3 manipulation.

4 A. All right.

5 Q. And so the question that I'm trying
6 to see if you can help me with is, I can look and see
7 what the forest structure is now, but what assumptions
8 do I make about what that forest structure is going to
9 be like in the future without starting to make some
10 preliminary decisions in terms of: Well, I'll do this
11 here, and that here, and whatever, and once I start
12 deciding doing this and that there and whatever, I have
13 to have some rationale for doing that.

14 That's what I'm trying to come to grips
15 with.

16 A. Yeah. I can understand why it's
17 almost like a chicken and egg, it is confusing and I'm
18 probably not the best one to explain this.

19 But I feel our planners do look at what
20 you call like structures. I don't think I would use
21 that term, but I think I understand what you're saying.

22 And this would have to do with
23 vegetation, all of the animal life, vertebrates and
24 non-vertebrates, the interrelationships of those,
25 water, slope, exposure, elevation, all of those things

1 that relate to the physical and biological
2 characteristics of areas, and then arbitrarily they
3 would sort of say: Well, this kind of set of
4 characteristics has the capacity to grow timber in
5 terms of what society defines as commercial timber,
6 size and utility and so forth, it also provides
7 wildlife habitat for kind of the popular species of elk
8 and birds and this and that and also other kinds of
9 diverse wildlife, it has soil characteristics that
10 allow it to be disturbed, either vegetation removed or
11 it does not allow itself to be removed because it
12 slides down, the ongoing geology of it, all those kind
13 of things.

14 A team eventually can look at a forest
15 and say these kinds of circumstances allow us to even
16 consider this array of activities, and they can be all
17 the way from doing nothing to high yield forestry, and
18 then they begin to assign this realm of possibility to
19 these areas, and that is when I believe you start
20 thinking about: Okay, timber management is a
21 possibility here, still staying within the constraint
22 of basic stewardship, not destroying the basic
23 productivity of the land, that is soil and water, and
24 we can think about that.

25 You can also make it wilderness that

1 didn't have any roads in it, it was undeveloped. Then
2 they can, you know, sort of aggregate those kind of
3 like areas and say: Well, we can look at a range of
4 alternatives here all the way from preservation to
5 intensive forestry and mixes of everything inbetween.

6 That's when I think the resource
7 functionalism comes in, and then you can, you can take
8 an alternative that affects this kind of land with
9 these characteristics and say: We're going to -- we
10 would like to feature timber management, what does that
11 mean, and we can predict out in the future what it
12 means. It's going to alter probably mosaic and the
13 distribution and the frequency of various successional
14 stages of vegetation. And then you can, you know, draw
15 effects from that.

16 Q. The difficulty I have with that is
17 this: You've indicated in your evidence that one of the
18 drawbacks or disadvantages with large clearcuts is the
19 boom and crash cycle that affects large herbivores in
20 that sort of environment where you have a large food
21 source and then no food source, that type of effect.

22 Basically what you're saying is that the
23 capability today is not the capability tomorrow, that
24 there's a temporal profile to it and that that temporal
25 expect is a function of man's interventions.

1 A. It's also the function of natural
2 processes. If you look at the land base at any one
3 time, it's simply a snapshot. All these forests --
4 everywhere in the world, scientists have pretty well
5 convinced us that, you know, they're dynamic and
6 they're disturbance driven.

7 There can be natural disturbance and
8 there can be man's disturbance. Man's disturbance
9 usually has to do with vegetation manipulation,
10 sometimes it resembles natural disturbance sometimes it
11 doesn't, but you can predict, you know, what happens.

12 Even if you just let it alone it's going
13 to change. Fire changes, trees grow old, insects come
14 along, disease comes along. So, you know, the forest
15 never is static, but the forest can be stable, the
16 ecosystems can be stable and that is, you know, one of
17 the underlying principles of planning to maintain that
18 stability of the forest landscape.

19 MADAM CHAIR: Mr. Hanna, the Board isn't
20 getting anything out of this line of questioning. Can
21 we move on to something else?

22 MR. HANNA: If I could just have, I think
23 it's one or two more questions on this and then I will
24 be finished, Madam Chair.

25 Q. The first is, Mr. Smith, how would

1 one decide as to the acceptability of a silvicultural
2 prescription using the ecosystem approach? What
3 measures would you use, how would you physically go
4 about saying: Okay, this is consistent with the
5 ecosystem approach and this isn't?

6 A. I think you would match that up on
7 with the effects of the system. Let's say that we have
8 decided that this area is capable and will be subject
9 to timber harvest, and the next thing is to select a
10 silvicultural system that will retain the
11 sustainability of the ecosystem and preserve diversity.

12 I think then you are calling upon your
13 specialist, your wildlife biologist, the
14 silviculturalist and others to describe to you what the
15 effects of various approaches would be.

16 Clearcutting could be one, partial
17 cutting. And when you're selecting from those you have
18 to -- if the area's purpose is to grow commercial
19 timber on a sustained basis, then you want to select a
20 silvicultural system that will allow you to restore
21 that forest to a growing condition and allow it to
22 mature to a point where it can be harvested again.
23 That is one consideration.

24 From the ecosystem standpoint,
25 preservation of species, not wiping out any species,

1 leaving a legacy of an ecosystem so that the
2 interference, the disruption is temporary and allows
3 the ecosystem to restore itself.

4 The extremes being a very, very large
5 clearcut with slash disposal and spraying and planting
6 a single species would be way over on one side, and the
7 other side would be taking out a few trees, or moving
8 back towards the other extreme, something that we call
9 new forestry, where you deliberately set out to leave
10 the legacy that allows that ecosystem to remain on a
11 trajectory of restoration. That might mean leaving a
12 few green trees, leaving woody debris on the forest
13 floor, leaving a few dead trees standing, you know, not
14 having it too large in size, all of those things.

15 Q. Is the analysis of the ecosystem
16 approach or compliance with the ecosystem approach
17 undertaken at the stand level in national forest plans;
18 in other words, is that the finest level of aggregation
19 or disaggregation that's captured in the analysis?

20 A. I think that's fair to say. It would
21 be sort of the lowest common denominator.

22 Q. I would like to turn to a different
23 topic and that has to do with a matter that you raise
24 on page 33 of your witness statement, I believe it's
25 also on page 34, and this has to do with the series of

1 recommendations the conservation Foundation has made.
2 These are separate from the criteria that was discussed
3 before.

4 A. Yes.

5 Q. And I take it you are in support of
6 these recommendations?

7 A. Yes.

8 Q. Now, the third bullet on page 34
9 indicates that:

10 "We should institutionalize the planning
11 activity and provide training to
12 employees (i.e., incorporate the agency's
13 policy, direction, organization and
14 personnel practices)."

15 Is the idea here to develop consistency
16 in the planning process across the various regions of
17 the agency, is that why that institutionalization
18 recommendation was made?

19 A. I can't speak for Conservation
20 Foundation, but I would say that's at least part of the
21 reason, the rationale. The other probably is to assure
22 a greater level of professionalism in the planning
23 activity by ensuring you get employees that are
24 competent and trained in planning principles.

25 Q. Now, if we look at the critique

1 itself, which is in the source book, page 80, paragraph
2 2, discussing FORPLAN, the statement is made:

3 "However, Forest Service planners and
4 line officers can be trained to use
5 FORPLAN more appropriately, eliminate
6 many of the drawbacks associated with the
7 model during the initial planning
8 efforts."

9 I take it you would agree with that?

10 A. Yes, I do.

11 Q. And on page 82 in the third paragraph
12 it says:

13 "Before forest plan revisions are widely
14 underway...", I take it this is the next
15 round of revisions?

16 A. (nodding affirmatively)

17 Q. "...the Forest Service should
18 organize training sessions and materials
19 for planners and line managers discussing
20 the prior experience with FORPLAN and
21 reinforcing the use of FORPLAN in a
22 supporting role."

23 I take it this is something else that you
24 would support?

25 A. Yes.

1 Q. Now, one of the sections of the terms
2 and conditions of the OFAH that I asked you to look at
3 is terms and conditions 124 to 138 which deal
4 specifically with training, it's on page 21.

5 I would like to deal first with the
6 Section 4.3.1 which is the planning team training.

7 I take it that you would be in support of
8 the general thrust of the terms and conditions that are
9 contained here in terms of providing training to the
10 planning team members?

11 A. I looked at this last night, I made
12 some notes. Let me look at my notes.

13 Now, I was a little bit ambivalent about
14 that. I think it's okay, we don't have anything quite
15 that precise in terms of formal education requirements
16 of two years and, you know, specialized -- am I on the
17 right page?

18 Q. I don't believe you are.

19 A. Okay, let's start again then.

20 Q. This is page 21.

21 A. Right.

22 Q. Section 4.3.1, planning team
23 training.

24 A. Right.

25 Q. I don't see anything in there

1 about --

2 A. "Each member of the TM planning team
3 is also to attend within the two years
4 immediately proceeding plan initiation
5 a specialized training course specific to
6 the area of expertise he's responsible
7 for representing."

8 Q. Yes.

9 A. That's what I was referring to.

10 Q. I see.

11 A. I had no objection to that. I wonder
12 whether you really want to burden an agency with that
13 kind of really precise training.

14 They should have training and they should
15 have some standards and a way to measure competency,
16 but I would be reluctant to tell the Forest Service,
17 for example, people on your planning team must have
18 this kind of prescribed training and the frequency and
19 the duration and so forth. I think that would be
20 unnecessary to do.

21 I'm not saying it's wrong, I'm just
22 saying it's a little bit cumbersome to me.

23 Q. But doesn't the Conservation
24 Foundation's critique reflect the very absence of this
25 in the U.S. Forest Service and that was a major reason

1 for, in their view, for the failure of the system with
2 respect to FORPLAN, the failure of the U.S. Forest
3 Service to provide that sort of training?

4 A. I think, first of all, the
5 Conservation Foundation said up front that the Forest
6 Service planning effort was a good one, it was a
7 credible effort, and this was a set of recommendations
8 based on the experience we had to improve our
9 performance.

10 So, no, I didn't detect that the
11 Conservation Foundation was getting into this kind of
12 detail. I read into that that they would like to see
13 more professional planners involved in forest planning
14 and that other disciplines were involved in the forest
15 planning, at least be exposed and have some training in
16 the planning process and I'm okay with that. If that
17 is what this means then, you know, I endorse it.

18 I react a little bit to a very detailed
19 prescriptive kind of training because I believe the
20 agency, given the objective, could probably go out and
21 get the right thing. They understand where we want to
22 be, I believe they can figure it out.

23 Q. Section 4.3.3 on page 22 deals with
24 woodlands workers training. What type of provision do
25 you have in the U.S. Forest Service to deal with middle

1 level of competency in terms of the contractors on the
2 Forest Service lands?

3 A. We don't have anything comparable to
4 this. We have a contract that has requirements,
5 measurable requirements, and the contractor, the timber
6 purchaser in this case is held accountable for the
7 results and, you know, we don't tell them that they
8 must have woodsworker training.

9 We do have conferences and meetings with
10 the industry and they tell us sometimes we need
11 training and we sometimes tell them they need training,
12 and sometimes we even exchange people to improve our
13 attitude, but as far as prescribing training for the
14 industry, no, we measure it on the basis of results.

15 Q. And I take it then that your concern
16 about prescribing these sort of things, as you've
17 described in terms of the planning team members, would
18 apply to this condition also, that you don't feel it's
19 necessary?

20 A. Well, I don't feel it's the right
21 approach for us, it may be for you. The industry in
22 Ontario may be more in a position of having to fulfill,
23 you know, forestry objectives without contracts,
24 without the kind of direction that we have.

25 So I'm not suggesting at all what Ontario

1 ought to do, I'm telling you in our context I don't
2 think we can -- you would find this very useful.

3 Q. Can we turn to the matter of public
4 consultation. I first of all wanted to know if local
5 public advisory committees are typically a component of
6 the forest planning process in the U.S.?

7 A. Advisory committees in the formal
8 sense probably are not. We have a national statute
9 that was passed during the Carter administration, I
10 believe, that just about eliminated formal advisory
11 councils and groups to government.

12 The motivation there was to kind of wipe
13 the slate clean, get rid of old rubber stamp committees
14 and get the public involved through a more dynamic
15 process. That was, you know, like surgery with an axe;
16 it got rid of that problem but created a lot more.

17 So now you see the Forest Service kind of
18 coming back into the use of committees. I'm very much
19 an advocate of advisory councils and committees but not
20 at the exclusion of getting the rest of the public
21 involved.

22 So I think you see forest supervisors
23 sort of coming in the back door on this to avoid
24 conflict with the statute that prohibits it almost,
25 actually have to take it almost to Congress to get it

1 approved, so they allow the citizens to develop their
2 own committees and then the forest supervisor deals
3 with them and it's working quite well.

4 And so I think that has a place and I had
5 no problem with it being formalized, providing the full
6 range of interests are permitted to participate.

7 Q. In your oral evidence you indicated
8 that on the Willamette plan there were 17,500
9 approximately individuals responded with in the order
10 of 177,000 comments and ideas; correct?

11 A. Yes.

12 Q. And I believe you indicated that
13 there's a process to synthesize these comments?

14 A. Yes, there is.

15 Q. And I believe Interrogatory No.
16 12(iii) from the OFAH asked how public comments were
17 analysed and integrated in the forest management plan
18 and you indicated in your response:

19 "Public comment is analysed (i.e.,
20 organized and displayed) and evaluated
21 for its content and integrated in the
22 decision-making process by the planning
23 team and the decision-maker."

24 I'm wondering if you can be any more
25 explicit in terms of what this process is? How do you

1 deal with 177,000 comments?

2 A. With a lot of difficulty. This
3 forest, by the way, is not one that received the most
4 either.

5 We first encountered this problem with
6 RARE 2 and our people developed a system whereby these
7 were received, logged in, and then analysed. By
8 analysed, I mean somebody actually sat down and read it
9 one or two or three times and catalogued all of the
10 various comments into categories in fact, in some
11 cases, you set up a centralized place do this.

12 For RARE 2 it was Sault Lake City and we
13 hired a number of temporary people and retired Forest
14 Service people and we sat them in a great big room like
15 this and the stuff came in and it was distributed and
16 they had forms and they read them all and they
17 recorded: This came from an individual, this came from
18 an interest group, an interest group that was timber
19 industry oriented or environmentalist oriented, it came
20 from this zip code, and then began to get into the
21 content that they were concerned about timber, they
22 were concerned about recreation, too much wilderness,
23 not enough wilderness. All those things were sort of
24 analysed and displayed so that decision-makers, rather
25 than go through, you know, hundreds of thousands of

1 comments, would have a kind of a synthesis of those.

2 These people that were hired to do this
3 job did no evaluation, they simply organized the data,
4 and then the interdisciplinary team along with the the
5 forest supervisor and district rangers began to
6 evaluate the content, you know, what does it really
7 mean. A lot of it is just vote counting.

8 Q. Is...?

9 A. A lot of it is vote counting, and
10 although that means something, it's not very
11 significant to a forest supervisor trying to figure out
12 where to go or how to select an alternative or develop
13 an alternative.

14 So the content analysis, the evaluation
15 began to move into the judgmental thing, what does this
16 really mean, what is the public telling us. Sometimes
17 it can be very straightforward. It might mean, you
18 know, you failed to inventory a certain enclave of
19 sensitive plants. It's just a matter of verifying
20 that and putting it on the inventory.

21 In another place it may be a whole bunch
22 of conflicting advice about whether to have more market
23 values or less market values, then you've got a problem
24 figuring out, you know, what is in the public interest.

25 Q. The process of organizing and

1 presenting these comments, however, was available to
2 the public, and if someone wanted to go back through it
3 they were there for the public to examine; is that
4 correct?

5 A. Yes, it was.

6 Q. Now, I would like to ask you some
7 questions about the Pacific Northwest. I believe
8 you've said here that the Pacific Northwest - and I
9 think Mr. Martel has asked you some questions about
10 this - is highly dependent on lumber as opposed to
11 pulpwood and the value of the timber harvested is
12 likely much greater than the value of harvested
13 pulpwood in Ontario.

14 Do you have any basis to disagree with
15 that?

16 A. No, I think that's accurate. I don't
17 know exactly what the relationship is in the Pacific
18 Northwest, but my impression is that sawlogs and peter
19 blocks are much more valuable.

20 Q. Now, I believe that you indicated
21 that the planning process that you've described for the
22 Willamette plan is, however, comparable to what's being
23 planned in other forests in the U.S.; is that correct?

24 A. Yes.

25 Q. Is the planning process being applied

1 in areas where the timber produced is primarily pulp
2 logs?

3 A. Yes.

4 Q. Is the planning process in those
5 areas for all intents and purposes the same as that
6 used in the Pacific Northwest?

7 A. Yes.

8 Q. Now, I believe you indicated that
9 about five per cent of the Forest Service budget is
10 devoted to forest planning; is that correct?

11 A. I think that is what I used, yes,
12 it's about probably five to seven per cent.

13 Q. Now, approximately what per cent of
14 the net value of the total forest benefits is devoted
15 to forest planning? Do you see the difference.

16 Before I ask that question, I will just
17 explain why I'm asking it. Typically, and I believe
18 you've made a statement in your witness statement or in
19 your oral evidence that this level of allocation of
20 funds is comparable to what I'll find in many
21 corporations.

22 A. Yes, for strategic planning.

23 - Q. And often when those types of
24 services are being contracted in certain professions
25 like engineering and architecture there are standard

1 percentage fees that are uses but the percentage fees
2 are a function of the value of the investment that's
3 taking place.

4 And the reason I raise that is because
5 I'm not sure that the per cent of the forest budget is
6 the appropriate measure, and I'm wondering if you would
7 not agree that a more appropriate measure would be
8 percentage of the net value of the values being
9 considered or planned for?

10 A. I think that would be a better
11 relationship.

12 Q. Do you have any idea what proportion
13 of the value of resources, for example, from the
14 Willamette plan was relative to the planning effort?

15 A. I really don't. I'm sure that the
16 percentage would be much lower.

17 Q. In terms of trying to come to a
18 decision as to what is a reasonable proportion to judge
19 in a different area that might have lower values in
20 some respects, for example, timber, do you feel that
21 that would be an appropriate basis to measure it; in
22 other words, the percentage allocation or percentage
23 value of the resources being planned for?

24 I'm looking at a way to try to make the
25 planning effort in the Willamette area comparable to

1 what might be reasonably expected in Ontario.

2 A. I think that is one way to approach
3 it. Obviously the intensity of planning and the
4 investment in planning is going to vary from area to
5 area in the world or in the United States or within
6 Canada for that matter. I would prefer to deal with
7 that on the intensity of management versus the lack of
8 intensity, I guess.

9 If I were responsible for a forest area
10 and were pushing it to the very threshold of its
11 capability, I would be more inclined to invest more in
12 the planning effort; if I were not, if I felt
13 comfortable as a resource manager and scientist that I
14 was well within the capability of that resource, then I
15 feel I could be less intensive.

16 I still would not want to conduct
17 activities on any one spot that, you know, adversely
18 affected long-term sustainability or productivity of
19 that resource and I would simply just back off, I would
20 be more cautious, I would be more conservative about
21 everything I did, so I was more assured to be within
22 the framework of long-term stewardship.

23 So I think that is the way I would
24 approach it, rather than trying to come up with a per
25 cent. I don't know that the per cent of the Willamette

1 plan investment versus net worth is right. I have no
2 idea of knowing whether it's right or wrong.

3 I certainly wouldn't want to take that,
4 compare it to Ontario and say that's what you want
5 ought to do. I would rather think about Ontario on its
6 own and get the advice of the agency that knows it best
7 and ask yourself if you're pushing those thresholds.

8 Q. Yes, I understand that. The
9 difficulty that we're faced with, as I'm sure you can
10 appreciate in these types of situations, there's people
11 who will always be saying we can't afford it and those
12 who are saying we have to afford it, and you have to
13 find a saw off or a balance on that, and I think the
14 question I'm asking is: What would be the appropriate
15 way to arrive at that saw off?

16 A. Well, that is certainly one way to
17 describe it. My advice is not to rely on the
18 investment percentages as the sole driver.

19 Q. In your witness statement on page 40
20 you indicate that it's what you don't know you don't
21 know that causes mistakes.

22 A. Yes.

23 Q. Now, would you agree that given the
24 complexity of forest ecosystems it's safe to say that
25 we will never have adequate detailed inventoris of all

1 organisms and all interactions, that's something that's
2 true?

3 A. Yes.

4 Q. Does it follow then that you're
5 proposing that the ongoing reconnaissance survey type
6 of exercise that you've described in terms of the
7 project level environmental assessment should basically
8 be a permanent feature of the planning process?

9 A. Yes.

10 Q. Now, I didn't understand, I think you
11 indicated that the project level environmental
12 assessment would provide a backstop for sketchy
13 information. I didn't understand how it serves as a
14 backstop, what you meant by that.

15 A. All right. With this plan or
16 Ontario's plan or anybody else's plan there's a limit
17 to the amount of inventory detail one can have in a
18 planning setting of that type.

19 When one goes out to actually locate the
20 road you need to get out on the ground and look at the
21 soil, the topography, the vegetation, stream crossings,
22 all on-site in detail before you proceed with that
23 project, and that's what I meant by a backstop.

24 This plan, although it contains a lot of
25 information, does not contain the sufficient detail to

1 plan a project or design a project. So it's important
2 to collect those data and I think in every instance you
3 find information you weren't aware of.

4 Archaeological and cultural values are a
5 good example. We do not have a good inventory of those
6 values, we would like to have a better one. In the
7 interim, our program goes on and we send an
8 archaeologist out to make a general survey to make sure
9 we haven't missed something. And almost every resource
10 area has limitations to its data.

11 Q. How is a decision reached at the plan
12 level and at the project level as to when there's
13 adequate information; how is that minimum information
14 decision made, because as we've indicated, there is
15 always a need for more information. How do you come to
16 that decision, say that's enough?

17 A. That's a judgment call that is issued
18 by people that are involved in that planning process.
19 A wildlife biologist may feel comfortable in dealing
20 with a project in one area with the information
21 available and be uncomfortable about another area, so
22 he would -- he or she would give priority to visit that
23 other area and see for himself, collect the data, until
24 he reaches a comfort level.

25 Q. A difficulty that we faced, and we

1 have heard about in this hearing, is that there may be
2 institutional constraints on the individual in being
3 able to express those concerns; in other words, I may
4 be a wildlife biologist saying I really think I should
5 collect this data but I'm overruled by whoever it is.

6 How is -- how should I say - that
7 professional integrity maintained given the
8 bureaucratic realities that we're facing with?

9 A. Well, we all live in the real world
10 and I think a biologist faced with that -- I guess,
11 there's a place at which he says, you know, my
12 professional integrity depends on this, I will not go
13 along with this. And that happens once in a while.

14 On the other hand there may be a way to
15 back off to where the biologist is comfortable. For
16 example, if your geologist and soil scientist say, you
17 know, I really don't know about clearcutting on these
18 slopes in this soil type, I really need more data, and
19 the district ranger says: I don't have time. I mean,
20 we've got targets here, we've got to get this out. I
21 think the alternative there is to back off of those
22 slopes, go find a slope that the soil scientist and
23 geologist is comfortable with.

24 Now, there comes a time when you run out
25 of those places and then it's going to become a cost of

1 doing business. Our advice to our people is don't do
2 anything that you think is unprofessional, and the
3 chief of the Forest Service has managed to make that
4 hold even with Congress.

5 I mean, we do a lot of things and we make
6 a lot of adjustments but if somebody tells us to do
7 something that we don't think is right, we finally say:
8 Whoops, won't do it.

9 Q. And that exercises the need to have
10 professional staff?

11 A. That's right.

12 MR. HANNA: Thank you, Mr. Smith, Madam
13 Chair. Those are my questions.

14 MADAM CHAIR: Thank you, Mr. Hanna.

15 You can tell Mr. Cosman we will be
16 starting at nine o'clock tomorrow morning.

17 MR. FERGUSON: Will do.

18 MADAM CHAIR: Thank you.

19 ---Whereupon the hearing was adjourned at 4:05 p.m., to
20 be reconvened on Thursday, March 28th, 1991,
21 commencing at the 9:00 a.m.

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